ARF NEWS LETTER

ASSOCIATION OF RETIRED FACULTY

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Contents:

MEMBERSHIP MEETING !!!

has been set for
WEDNESDAY
20 May 1998
at NOON
in Sylvester's,
Stong College

Monday, April 20, 1998

SPECIAL ISSUE ON BENEFITS

THE NEW BENEFITS TRUST FOR RETIREES

We now have the basis for a benefits trust, created with money due to retirees from the pension contribution "holiday" money not put in the Pension Fund by the Administration. Income from the trust can be used to enhance existing benefits or to make improvements in order to achieve the sorts of coverage we want. The trust fund will begin with over $600.000 and will help those now retired and each person who retires from now on.

ARF has consistently opposed unilateral Administration moves to declare these "holidays" for itself, the effect of which is to create many millions of unrestricted operating funds for itself - over $40 million so far, and counting. ARF's position is that all money now in Pension Fund "surpluses" should be devoted to improving pensions current and future, thus removing the opportunity for Administration "holidays" from topping up the Fund. But we have not been able to put forward our positions rigorously and vigorously because to date the representatives of faculty retirees -- ARF -- have not been permitted to sit on the relevant bodies.

Still, once YUFA made the decision to accept, without prejudice, a share of the pension contribution "holiday" money, two points had to be settled:

1) Do retirees share equally with those still teaching full-time?

   [The YUFA Executive and membership at large accepted the proposition that retirees should share equally with non-retirees.]

2) How shall the retiree portion be employed. We (both ARF Executive and membership meeting) proposed to YUFA that the entire amount due to us be employed to aid not only current but future retirees.

YUFA actives voted to take individual pay-outs, lodged in each person's personal expense account, a move perhaps more appropriate for younger faculty in a period when salary increases have run from slight to non-existent. And YUSA paid out its comparatively meagre share in the "holiday" money to currently-employed members only, not to retirees. But your Executive, backed by the AGM, felt that the occasion was an opportunity for faculty retirees to create a nucleus of something that can and should be made to grow.

The trust, when legally established, will be for retired faculty, but, so far, on the basis of money of retirees only. But we believe the Administration should take responsibility for topping up the trust fund from its side any time that a pension contribution "holiday" is declared -- at the very least at a level that matches our own contribution. And we think this should begin now, with this "holiday". Doing so would not only be the right thing but would also help to make up for the Administration's abrupt and heavy-handed move in 1994 to institute cutbacks to extended health benefits and to require cost rises from faculty retirees.

WHAT YOU SAID ABOUT BENEFITS

Returns from the March questionnaire about benefits have been strong: nearly 28% of all retired faculty as of 30 March, with more coming in. These show us strongly wedded to the health/dental plan. Twice as many of us are ready to pay more if costs rise as are opposed to that. But there's a big middle group unready to jump either way. However, if a rise in costs bought us a really decent benefits package we're much more ready to pay some more -- perhaps because the benefits are so crucial to us. The big three benefit improvements are (i) lower deductibles, (ii) junking the $25,000 lifetime maximum receivable, in favour of annual ceilings on selected items, and (iii) vision care (the most popular single item on the wish-list) but perhaps the most problematic. We disagree robustly on trading off frequency of dental visits for higher reimbursement levels. Here 30% of us agreed, 43% said no, and the rest were not sure.

> "My dentist laughed at the coverage allowed. He said for the amount covered you can only take your dentist to lunch."

There was lots of comment on the returns, much of it on dental problems and problems in the dental plan. Some wanted particular sorts of health item coverage. Others were ready to make large strategic judgements to fireproof us on agreed major matters and to pay for this with minimal coverage for items that affect only a few. A number urged parity of coverage and costs for YUFA actives and faculty retires alike. Some were grateful that ARF was taking a leadership role on complex matters that isolated individuals find it hard to follow by themselves.

You can inspect he results and the extended comments in the ARF office, S756 Ross Bldg.

NEGOTIATING BENEFITS

ARF now anticipates entering into formal negotiations with the University Administration on benefits issues as part of the same team that has just about concluded negotiations for the benefits of YUFA-current faculty. WE have had the invaluable advice of the same consultant that YUFA has had in preparing its own proposals. Though the general approach taken by us will resemble YUFA's, the experience of faculty retirees differs from that of younger faculty. And these provisions will take time to work through.

You have told us, and the Executive concur, that we want parity of coverage and cost, modified by the items specific to retirees because of age. At the University of Toronto, retirees have this. At Laurier, we are told, faculty retirees have near parity at no extra cost to themselves.

We have elected to focus on high-frequency, high-need items and to give less attention (=less coverage, less cost) to low-demand items. This gives us a chance to raise annual ceilings and reimbursable rates and to extend coverage into new areas of demand as shown in the questionnaire returns.

There are risks in taking this route; individuals must cover their own costs in certain areas of comparatively low demand or in areas where the cost of the items are disproportionately great when a whole group must be covered against risk. Our continuing experience as retirees must be monitored continuously for changes in the demands we make on the health care system, so that changes in the benefit structure can be made with the least lag possible.

The best way to cover costs and to increase benefits is to find more money. The new benefits trust provides the start of such a source. But this source needs to be toped up. Today's retirees have done their share, and more by agreeing to create the benefits trust with their own money. The University Administration, we believe, has a responsibility to use money that otherwise would go to the Pension Fund, in order to keep future benefits problems from happening. Whether or not this last is addressed in the often-technical benefits negotiations, we do believe that the same pockets are being discussed.

Whether the administration stumps up the money directly for the extended health/dental plan in a more comprehensive way that makes York comparable to other good Universities or it contributes matching funds to the benefits trust may not seem a significant issue. But, in the end, we have fundamental strategic judgements to make with the help of the other stakeholders. Do we want a plan tied to union negotiations, with all the potential advantages and disadvantages that go with this? Or do we want a plan that is largely autonomous and that receives major funding through the benefits trust? And if, as YURA has usefully asked recently, we think of a common benefit structure for all retirees, which way is best?

MEMBERSHIP MEETING

A membership meeting has been set for 20 May at noon in Sylvester's, Stong College. This will be faculty retirees' opportunity to be heard and to gain further information about:

- the new benefits trust
- the state of negotiations on extended health car/dental care
- our own proposals to refine the relations between AFR and YUFA, necessary since both groups agree that YUFA's last constitutional amendments on this mater failed to achieve their purpose.

Members will have a chance to follow up their own vigorous comments made as part of their response to the benefits questionnaire.

It will be helpful to remember that there are two different pots of money that will bear on extended health care benefits:

1. What we may negotiate for with the Administration; this pays the basic costs of EHC/dental care.
2. The benefits trust money – ours, that we decided not to spend individually but to use to create a benefits trust for the enhancement and extension of benefits for all current and future faculty retirees – the income from which we as retirees decide for ourselves how to spend in order to meet these objectives. While this will not be the Annual General Meeting, the Executive hopes that more members will use this occasion to volunteer for working groups and the Executive, and that they will put themselves forward for office when opportunity comes for that in the fall at the AGM.