

ARF NEWSLETTER

ASSOCIATION OF RETIRED FACULTY AND LIBRARIANS



ARF is a formal affiliate organization of York University Faculty Association and consists of those Faculty and Librarians, whether retired or not, who have paid membership dues. Retired Members of ARF are Associate Members of YUFA.



February, 2001 *vol 7, I issue 1*

At the Annual General Meeting the following slate of officers was returned, including those subsequently nominated to the Executive to extend its base and representation, as the meeting agreed. The Executive will normally be printed in each edition of the *Newsletter*.



EXECUTIVE

President

Margaret Knittl

Vice-President

Sydney Eisen

Treasurer

William Whitla

Secretary

Phyllis Platnick

Past-President

Howard Buchbinder

Members-at-Large

Michael Creal

Ruth Grogan

Don Holoch

Alex Murray

Nick Tryphonopoulos

Mary Williamson (alternate)

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1. *Margaret Knittl Reports . . . On Contract Negotiations*

Your Executive has given considerable time and thought to what we should be asking YUFA to do for us in the coming contract negotiations. Last time, YUFA secured for us an increase in the Administration's allocation from \$66,000 to \$300,000 a year. That has meant that the benefits plan has run no "deficits" since May 1999, but rather has shown a small surplus.

That the improvements now beginning can last only two years brings us face to face with the basic flaw in our plan. We are guaranteed the benefit of a sum of money, not the specific benefits described in our plan. York's Administration has accepted no obligation to increase its support in step with the growth in the numbers of retirees or in step with inflation. As a result, YUFA is faced with a struggle, contract by contract, just to ensure that we preserve the benefits we have, never mind improving on them. We have a sword of Damocles perpetually hanging over our heads: if the Administration chooses to fund our plan unrealistically (as it did consistently until 1999), "deficits" will promptly reappear and our plan will become subject to another round of cuts and/or increases in

our premiums.

This is an intolerable situation. We believe our highest priority in the coming negotiations must be to get our plan uncapped. That is, our goal is to change our plan to one in which the specified benefits are guaranteed, cost what they may. This structure is the one that is used in the CPM and YUSA benefit plans. To achieve this goal would mean that any improvements negotiated hereafter would become an on-going part of the plan, not a two-year wonder to be renegotiated with every contract. But in itself it would make no difference to the benefits we now have. What we would gain would be the assurance that our plan will survive, and an end to the possibility of further cuts.

We are making other requests as well, including, of course, the incorporations of our new improvements (see below) into the plan on an on-going basis. We also want a new plan brochure, jointly prepared, full clear, and authoritative. It is none of those things now. Every retiree and prospective retiree should be absolutely certain of what benefits are covered and to exactly what extent. Given a proper brochure, we could all use the plan more fully and sensibly. For the same reason we want an annual reporting to each member of the state of their lifetime medical benefits account. Wish us luck!



2. At Last, Something to Celebrate!

Something got done! The small surplus our benefits plan has been running since May 1, 1999 has at last been translated into three specific improvements to our benefits. Everything is settled as of today, Friday Feb. 16.

Suggestions?

If you have any suggestions for articles or information to include in the Newsletter, or would like to contribute a comment or letter, please send it to ARF.

The improvements will be in place initially until Dec, 31 2000 and upon review at year end, when the final size of the surplus is known, will be extended for a second twelve months, give or take one or two months as the surplus permits. The major change is to dental benefits. Basic dental services received on or after Feb. 1, 2001 will be refunded at 100%, and restorative services at 50%. The yearly cap remains at \$700. Now is the time to put your teeth in order.

Medical deductibles will change to \$130 per insured person—a break for those of us who are uncoupled. The change is back-dated to Oct.1, 2000 and any member who has already paid an amount above the new rate will receive a refund of that amount. For couples, a partner will no longer lose coverage immediately upon the death of a retiree, as has happened up to now, but will continue to belong to the plan for two years, paying the premiums of a single person, and thereafter will have the option of remaining in the plan upon payment of a full cost premium. Just how that premium will be set up remains to be negotiated.

The two last are low cost items chosen on their own merits, but also with an eye to how difficult it would be for the administration to go back on them when the two years are up—or for the union to fail to make them permanent parts of the plan.

We hope you approve what we have done!



3. *The Treasurer Reports . . .*

The Annual General Meeting on October 25 agreed that the Executive should take appropriate steps to invest some of the ARF account in a GIC or other short-term investment to improve interest rates while having the funds available should any need arise. Accordingly, after a number of possibilities were surveyed, it was decided to put the sum of \$7,000.00 in a one-year flexible GIC, earning a return of 4.3%. Since the ARF accounts have been transferred to Canada Trust, the GIC has been purchased there.

Membership Increase

It is good news to report that our membership continues to grow as more and more retirees appreciate the importance of ARF in representing Faculty and Librarian's views in negotiating better benefits and addressing the needs and interests of our group of retirees specifically. The current count of paid-up members in ARF is 177 out of our current list of 346 retired faculty and librarians, just over 51.1%. If you have not paid up for the current year please see the details in the adjoining box.



4. **More Good News: Introducing Bruce MacDonald**

A member of the ARF Executive knew Bruce MacDonald, formerly a senior actuary with Mercer, the actuarial firm used by York. Mr. MacDonald is a specialist in academic pensions, and is currently finishing a book on pensions and benefits. Though retired and living in Halifax, Mr. MacDonald has very kindly agreed to consult with your executive,

chiefly by e-mail and for costs only, on matters related to pensions and to our benefits plan. The first meeting in Toronto when he was here for personal reasons was very fruitful. As you will have heard, our pension plan, to remain viable in the long run, must move to more up-to-date mortality tables than it has been using to compute starting pension. Academics are living longer than those tables predicted, and are therefore costing the plan more. Pensions for this year's retirees will be computed on new tables. It is further proposed that those already retired should agree to a 1/4% reduction in the pension increments our plan entitles us to. Mr. MacDonald advised us that retirees may be able to make a case against this proposition, and further, if the change is pushed through in the form of an amendment to the pension plan, we should expect to get a reasonable quid pro quo. This opens new possibilities which we are now beginning to explore with the other interested parties. More on other matters later!



Ed. note: The following article by Margaret Knittl will appear, possibly with some editorial changes, in the forthcoming issue of YUFA's newsletter, "Active Voice."

5. **A View from 2007**

We all know that the face of the York University will be transformed over the next five or six years by massive retirements on the one hand and vigorous recruiting of new faculty on the other to meet both these retirements and burgeoning enrollments demands..

It is harder to visualize what all the consequences will be. And when will planning and implementation start? Here I look at one aspect only of that renewal: its impact on retired faculty and librarians.

I leave aside the contentious matter, now under discussion, of trimming back the increments to pensions our pension plan provides for, and look instead at the much less well known curtailment of post-retirement medical and dental benefits for retired faculty and librarians which has already happened. The benefits plan for YUFA retirees is of the type where the sum to be expended is guaranteed, not the benefits outlined in the brochure retirees receive. In short, it is a capped programme. Legally speaking, the administration has the right to reduce benefits, increase retiree-paid premiums, and even to terminate the plan entirely if costs exceed the combined total of the sum it puts up and the premiums it collects. The sum it allocates to the plan is set biennially in contract negotiations with YUFA. At present there is no obligation on the administration to increase its allocation in step with either inflation or growing numbers of retirees, and it remains murky what happens if the money available proves to be inadequate within the contract period. Just to ensure the survival of the plan YUFA is under the very serious burden of ensuring that, contract by contract, the administration agrees to a sum that takes

inflation and growing numbers into account. To actually improve your retirement benefits is another whole issue.

I believe you know that benefits for YUFA retirees are a pale shadow of what active faculty enjoy. Its less well known that they are also markedly inferior to the benefits provided for retired members of the professional and managerial group at York. This has been the case since 1994 when, because benefits were costing more, year by year, than the \$66,000 earmarked for them by the administration, YUFA retiree benefits were cut back, and members were first required to pay premiums. The P&Mers remained unscathed; in their plan it is the benefits that are guaranteed, not the sum to be expended. They contend with no cost over-runs, no cuts, no premiums, no biennial scramble merely to stay in the same place.

The impact of the coming tidal wave of retirements on our and your tenuous hold on retiree benefits scarcely bears thinking about- except that it's high time some thinking and planning got done! In projecting a view of 2007 I use figures provided to the Retirement Planning Centre for the age distribution of faculty as of the end of 1997. Shifting each cohort along by ten years gives a good view of the scene in 2007. According to the Department of Human Resources, the number of persons insured under our plan in 1997 averaged about 405 over the calendar year. By 2007, allowing that 18% of retirees will not join the plan and that 65% of those who do will have a spouse, and 35% will

not (this follows the experience to date), the number of insured persons will be about 950. (This does not take account of early retirements or of deaths among present retirees.)

In the plan year just past, costs have been running at about \$640 per insured person. Given an inflation rate of 4% a year (based on experience to date) that will rise to \$842 by the end of 2007. For 950 insured persons the cost of the plan, with no improvements, will be a little over \$800,000. The present budget is approximately \$400,000. Of that, \$300,000 is provided by the administration and about \$100,000 comes from premiums retirees pay. The latter amount will grow as the cohort of insured persons grows, but what will the administration do? The answer depends very much on what YUFA does now in contract negotiations, what priority you give to putting your retirement benefits plan on a solid foundation while there is still time. Once you retire, you are no longer a "human resource" to the administration and within YUFA you become an associate member only. Forget that bit about Professor Emeritus!

And if you want to see your battered benefits plan actually improved, there is a second struggle ahead. For now the issue is the plan's survival.

—Margaret Knittl



CHART COMPARING RETIREES' BENEFITS WITH THOSE OF ACTIVE YUFA MEMBERS

<u>ELIGIBLE EXPENSES</u>	<u>CURRENT YUFA PLAN—RETIRES</u>	<u>YUFA ACTIVE</u>
I. EXTENDED HEALTH CARE BENEFITS		
Deductibles & Maximums	100% Reimbursement for hospital coverage 80% Reimbursement for all other benefits \$ 175 /Single and \$ 275 /Family applied to all major medical benefits* \$ 25,000 lifetime maximum for claims incurred in Canada \$ 10,000 lifetime for claims incurred outside Canada	100% Reimbursement for hospital coverage 100% Reimbursement for all other benefits \$ 25 /Single and \$ 50 /Family applied to all major medical benefits Unlimited lifetime maximum for claims incurred in Canada Unlimited lifetime maximum for claims incurred outside Canada
Hospital Expenses Prescription Drugs	100% Reimbursement of Semi-Private & Private coverage up to 120 days 80% Reimbursement for prescription drugs which legally require a written prescription	100% Reimbursement of Semi-Private & Private coverage 100% Reimbursement for prescription drugs which legally require a written prescription
Vision Care	Not Covered	\$ 300 /2 years Optional Family coverage available on monthly shared basis
<u>Convalescent Hospital</u>	<u>Not Covered</u>	<u>Not Covered</u>
Paramedical		
Chiropractor	\$ 6 / visit; \$ 120 maximum / year	\$ 500 maximum / year
Osteopath	\$ 6 / visit; \$ 120 maximum / year	\$ 500 maximum / year
Physiotherapist	Unlimited, subject to overall plan maximum	Unlimited
Psychologist	65% Reimbursement, subject to overall plan maximum	\$ 10,000 maximum / year
Podiatrist	\$ 6 / visit; \$ 120 maximum / year	\$ 500 maximum / year
Naturopath	\$ 6 / visit; \$ 120 maximum / year	\$ 500 maximum / year
Registered Masseur	Not Covered	\$ 500 maximum / year
Speech Therapist	Not Covered	\$ 1,500 maximum / year
Chiropracist	Not Covered	Not Covered
Christian Science Healer	Unlimited, subject to overall plan maximum	Unlimited
Private Duty Nursing	Maximum of \$ 10,000 or 120 days, whichever is greater	\$ 10,000 maximum / year
Ambulance	Covered	Covered
Orthopedic Shoes	Not Covered	\$ 100 maximum / calendar year
Hearing Aids	Not Covered	Unlimited → if required as a result of an accident
Medical Supplies and Equipment	Surgical bandages, dressing, purchase or rental of crutches, non-electric wheelchairs, hospital beds, oxygen equipment, and other equipment as prescribed. Prosthetic devices, limbs, eyes, splints, casts, and breast prosthesis	Surgical bandages, dressing, purchase or rental of crutches, non-electric wheelchairs, hospital beds, oxygen equipment, and other equipment as prescribed. Prosthetic devices, limbs, eyes, splints, casts, and breast prosthesis
Accidental Dental	Covered	Covered
Survivor Benefit	Not Covered*	2 years
2. DENTAL CARE BENEFITS		
Basic Services & Restorative	65% Reimbursement, 6 month recall*	100% Reimbursement
Endodontics & Periodontics	65% Reimbursement	100% Reimbursement
Major Restorative & Prosthodontics	35% Reimbursement*	85% Reimbursement, \$ 3,000 maximum / year
Orthodontics	Not Covered	75% Reimbursement, \$ 5,000 maximum / year
Annual Maximum	\$ 700	See above
Fee Schedule	Current	Current
Survivor Benefit	Not Covered*	2 years

* See special explanation in Current Newsletter "At Last . . . Celebrate!"

ASSOCIATION OF RETIRED FACULTY AND LIBRARIANS OF YORK UNIVERSITY

JOIN ARF / SUSTAIN ARF

To: Association of Retired Faculty and Librarians, c/o YUFA
241 Schulich School of Business,
York University
4700 Keele Street
Toronto, ON M3J 1P3

- [] I wish to join ARF, to receive its mailings and support its activities
[] I wish to renew my membership in ARF
[] I am willing to undertake occasional work for ARF
[] I am not yet a retiree, but I want to become an Associate Member of ARF

Enclosed is my cheque for the period 1 July, 2000 to 30 June, 2001. If you have already paid this year's membership, please wait until the next Newsletter to renew for the next year.

- [] \$25 Regular Membership
[] \$10 Associate Membership

Plus \$_____ as an additional contribution to help ARF in its continuing work on behalf of York's retired Faculty and Librarians.

NAME (please print)_____

HOME ADDRESS

Street _____

City _____ Province _____

Postal Code _____ Country _____

Home Phone _____ Campus Phone _____

E-Mail _____ Fax _____