

ARF Newsletter

Association of Retired Faculty and Librarians of York University

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1. FROM THE PRESIDENT Alex Murray

At the deadline for this issue of the Newsletter, there was no change in the “shadow pension” issue. The Administration has not changed its assumption that “Until the reduced pension amount surpasses the pension currently being paid there will be no increase in the pension.” (*PENSION AT YORK NEWSLETTER, February 2006*). ARF and YUFA maintain that the text of the YORK Pension Plan in no way supports this assumption. Elsewhere in this Newsletter you can read more details about the “shadow pension” issue and the need for you to write to FSCO complaining about the Administration’s behaviour.

ARF MEMBERS MEETING

Date: May 17, 2006

Time: 12:00 to 2:30 p.m.

Place: 305 Founders

A light lunch will be provided.

ARF will keep members for whom we have email addresses informed of any changes in this and other issues. Which raises the matter of email addresses. ARF does not have every member’s address. So make sure we do, if you want to be kept up to date.

Because of the elimination of mandatory retirement this year, faculty approaching 65 face a much larger range of choices and opportunities than did we retirees. Nevertheless, ARF members have unique perspectives on retirement that may be useful to faculty facing the decision to retire or not; and if the answer is yes, under what conditions? Therefore, I urge you to talk to those departmental colleagues and encourage them to join ARF as a pre-retiree or retiree.

I hope to see you all at the May 17 General Meeting □



2. YORK PENSIONS Martin Muldoon

The York University Pension Plan has a provision for increases in pensions when the rate of return in the Plan Fund averaged over 4 consecutive years exceeds 6%. The York Administration, which manages the Plan, has chosen to deny increases to pensioners whose retirement covered years when the Fund performance did not meet this criterion. There is no text in the Plan giving them the authority to do so. Each year an indexation factor, called a “pensioner adjustment” (PA) in the *February*

2006 Pension At York Newsletter, is calculated according to a formula in the Pension Plan. The PA is usually close to 1, but greater than 1 in most years. In such cases, pension amounts multiplied by the PA yield an increase. If the PA is less than 1, the “non-reduction guarantee” applies and pensions are not reduced. This attractive feature of the Plan can provide partial protection against inflation. It should not be considered as a free gift; it comes with a cost and we have helped to pay that cost over the years.

The PA was less than 1 in the years 2003, 2004 and 2005 and, as required, no changes were made to our pension payments. This year the PA is approximately 1.015, but many pensioners are not benefitting from this. The reason is that the York Administration has decided not to apply this factor to our actual pensions, but rather to a hypothetical one it calls the “reduced pension payment amount” (RPPA) on page 2 of the above Newsletter (known as the “shadow pension” by ARF). The pensioners most affected are those who retired in 2001 or earlier and who would have had no increase since 2002.

The Pension Plan Text makes no mention of this method of calculating pensions.

The following table of estimated pension payments is based on each unit of \$1000 received by pensioners in the year following retirement. It projects pensions up to the year 2007.

		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007*</u>
	PA	0.994	0.991	1.015	1.05
<u>Ret.Yr.</u>					
2001	A	1000	1000	1015	1066
	B	1000	1000	1000	1027
	C	973	964	979	1027

2002	A	1000	1000	1015	1066
	B	1000	1000	1000	1050
	C	994	985	1000	1050
2003	A	1000	1000	1015	1066
	B	1000	1000	1006	1056
	C	1000	991	1006	1056
2004	A		1000	1015	1066
	B		1000	1015	1066

A = pension amount based on Plan Text
 B = pension calculated using the RPPA
 C = RPPA (reduced pension payment amount)

* This column is based on an estimated Pension Fund return of 9% in 2006.

For pensioners retiring in 2001 or earlier, the Plan Text indicates an increase from \$1000 in 2005 to \$1015 in 2006. The York Administration, on the other hand, has applied the PA (1.015) to the 2005 RPPA (\$964) and pays the pensioner only \$1000 in 2006, because the estimated pension amount (\$979) is obviously less than the 2005 amount. For a 2001 retiree with a \$60,000 annual pension, this discrepancy amounts to approximately -\$900; i.e. \$900 less is received than if the pensioner adjustment had been applied to the actual 2005 pension. The discrepancy would be about -\$2300 in 2007, assuming a net Fund growth of 9% this year. Under reasonable growth assumptions many such pensioners can expect lifetime losses of tens of thousands of dollars.

As the above table shows, the amount of this discrepancy depends on the retirement year and is actually zero for a 2004 retiree. However, it should be noted that it is likely that even a 2004 retiree will at some time be affected by poor Pension Fund performance and furthermore that the impact of the discrepancy will certainly grow as the Fund grows over the lifetime of the pension.

What can be done about this? The Financial Services Commission of Ontario (FSCO) ensures that pension plans comply with the standards set out in provincial legislation and regulations. It has certain enforcement powers. FSCO has been apprised of our situation, but it would be very helpful, if individual pensioners would write to FSCO explaining their concerns in detail and asking that FSCO investigate this issue and take whatever action is deemed necessary to ensure that the pensions of York retirees conform strictly to the Pension Plan Text. Address:

**Pension Officer - Pension Division
Financial Services Commission of Ontario
5160 Yonge Street
4th Floor, Box 65
Toronto, ON M2N 6L9** ☐



3. FOLLOWME HEALTH INSURANCE PLAN **The Editor**

CAUT announced several months ago that it was making available a health and dental benefits plan, called FollowMe, for retirees from universities and colleges. The details, including costs, are now available on the internet via the CURAC web-site (www.curac.ca). Just follow the prompts. The plan is offered through Manulife Financial. A presentation will be made at the CURAC Annual Convention to be held at the University of Guelph from May 24 to 26, 2006. Details of this Convention appear elsewhere in this Newsletter.

There are four levels of coverage - Basic, Enhanced, Enhanced Plus and Premiere. Plan costs increase in the same order and with the age of the applicant. A slight per person saving

can be had by couples. This article will summarize the Basic and Premiere Plans.

Basic Plan: Prescription drugs are covered with an annual maximum of \$300. There is no dental coverage other than accidental. Vision care provides \$150 per 2 benefit years plus \$30 towards Optometrist visits. Semi-private hospital accommodation is covered for up to 150 days with 50% reimbursement and a maximum allowed charge per day of \$175. Extended Health Care Benefits are covered with a lifetime maximum of \$30,000, including visits to registered specialists and therapists, homecare and nursing, prosthetic appliances, durable medical equipment and hearing aids. Ambulance services and a Lifeline Emergency Response Service (up to a lifetime maximum of 6 months) are also covered. Included in the Plan are Best Doctors Solutions Services, Accidental Death and Dismemberment Benefit and Survivor Benefit. The reader should consult the full plan document for full details as described in the first paragraph.

Costs depend on age. For a single individual the monthly cost is \$65.20 in the age interval 65-69 and \$78.30 in the age interval 70-79. The per person monthly cost for a couple is \$59.60 in the age interval 65-69 and \$72.90 in the age interval 70-79.

Premiere Plan: All items covered by the Basic Plan are covered here but at generally higher levels. For example, the lifetime maximum for Extended Health Care Benefits is \$250,000 and hospital accommodation is covered at 100% with a maximum allowed daily charge of \$200. In addition, dental coverage and fracture coverage are also included.

The monthly cost of the Premiere Plan for an individual is \$149.90 in the age interval 65-69

and \$178.80 in the age interval 70-79. For a couple the per person monthly charge is \$144.20 in the age interval 65-69 and \$173.10 in the age interval 70-79. □



4. CURAC ANNUAL CONVENTION AND AGM

The annual convention of the Colleges and Universities Retirees Association of Canada (CURAC) will be held in the Rosanski Hall of the University of Guelph from May 24 to May 26, 2006. Registration and a reception will take place in the afternoon and evening of the 24th. The key session will be Non-Medical Benefits to be held in the morning and early afternoon on May 25th. The Annual General Meeting will be held from 2:00 to 3:45 p.m. and this will be followed by a presentation on “Follow Me” a health insurance package put together by Manulife for CAUT. The Conference Banquet will be held at 7:00 p.m.

The morning of the 26th will be dedicated to two issues:

- (1) Retirees as an Institutional Resource
- (2) Pre-retirement Education Programs

These sessions will be followed by the Chair’s summary of the meeting and adjournment.

Registration will be either online or by a pdf form available on line at www.curac.ca, where details of the conference may be obtained. The cost is \$90.00 before May 3, 2006. □



5. NEWS AND NOTABLES - FRANK COSENTINO

Frank Cosentino, a former CFL quarterback and long time member of the Physical Education and Athletics Department (now the School of Kinesiology and Health Science) has just published a novel titled, “Hail Mary Heaven Sent”. It is a fictional work based on true events. Its interwoven themes include the fallout and reconciliation of father and son, the Cold War with its accompanying espionage, the Olympics, a manuscript from the grave and the unwavering faith of the Pope. It pits the “inevitability” of communism against the “irresistible force” of the message of Fatima. Coincidences or divine intervention?

The novel, which was published in the U. S. A., can be ordered over the internet at lulu.com/content/196257 at a price of \$24.97 US (\$30 CAD) for a hardcopy or \$15.79 US for a downloaded copy. Alternatively it can be ordered through Frank by e-mail at frankc@yorku.ca, or by telephone at 1-613-628-1553.

Frank was at York from 1976 to 1997 where he taught courses in the History of Physical Education, Sport in Canadian Life and Philosophy and Issues in Sport. He also conducted practicum classes. He served a five year term as Chair of his Department in both the Faculty of Arts and the Faculty of Science starting in 1976 and coached York University football teams for seven years. He was a fellow of Stong College. Over the length of his career, Frank has authored or co-authored 12 books. Among these are ten books on Canadian sport, including “A Passing Game: A History of the CFL”, “Almonte’s Brothers of the Wind: R. Tait-McKenzie and James Naismith” and “Olympic Gold: Canadian Winners of the

Summer Games". He currently lives in Eganville, ON. □



6. OUR READERS WRITE - GRADUATE SUPERVISION

I am writing to ARF to indicate my strong support for the payment of retirees for graduate supervision. The exploitation of retired faculty by failing to pay them for work they perform for the Faculty of Graduate Studies is clearly a valid concern. It is also a valid concern in view of the growing number of retirees.

Over the years, retirees have supervised graduate work without compensation. While it may be argued that they are not compelled to supervise graduate work, such refusal would do unconscionable damage, e.g. to students who begin, but do not conclude, their graduate studies before faculty member's retirement. To leave this issue hanging blackmails conscientious colleagues into providing free, but very valuable, service. Alternatively it could mean abandoning students, forcing some to begin anew. Further, it could force or influence colleagues to refuse to begin supervision of graduate students for two or three or more years prior to retirement when the project in mind could not come to fruition before the colleague's retirement.

Arguing that the student should pick an advisor other than one nearing retirement is not valid. The university avoids replacing specialists until the vacancies actually occur*. The amount of money involved in correcting this situation would be almost invisible. It would be disgraceful, and clearly unnecessary, to leave matters as they are. This should not be

a problem. Compensation for retirees undertaking graduate supervision should be addressed immediately.

Lee Lorch
Professor Emeritus
York University

* Editor's note: The actual replacement may not take place prior to two years following the retirement or, under recent conditions, not at all in some Faculties. In addition, there is no guarantee that a replacing faculty member will be in the same area of specialization as the retiring one and therefore capable of picking up the retiree's supervisory role. □



7. PENSION NEWS FOR BRITISH EX-PAT MEMBERS OF ARF **The Editor**

Brits living in Canada, Australia and South Africa, who are entitled to British pensions have had these pensions frozen at levels current to the years in which they emigrated. There have been some recent developments coming after years of unsuccessful lobbying by British Pensioners Associations in these countries. Last spring the British House of Lords voted down the latest effort to rescind the pension freeze, but released a minority report declaring that the freezing of pensions was incompatible with the European Convention for the Protection of Human Rights.

An Early Day Motion has recently been tabled in the British Parliament reading in part that, "This House believes that (the freezing of pensions) is an injustice that should not be allowed to continue". And the British government is being sued by British pensioners around the world in the European Court of Human Rights with Canada playing a lead role.

The ARF Newsletter is published by the Association of Retired Faculty and Librarians of York University (ARF). ARF is an independent organization of retired faculty and librarians of York University and of pre-retirees who pay dues. Members of ARF are Associate Members of YUFA and YUFA has recognized ARF as the "representative organization for retired members" of YUFA. ARF is a member of the College and University Retirees Association of Canada. (CURAC)



At the Annual General Meeting of October, 2005 the following slate of officers was returned, including those subsequently nominated to the Executive to extend its base and representation, as the meeting agreed:

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The editor of the newsletter welcomes comments, letters or items of interest, but reserves the right to edit any submissions. Please send submissions to chesters@yorku.ca or ARF, c/o YUFA, 261 HNES, York University, 4700 Keele St., Toronto, ON M3J 1P3.