



The Pen

Pensioned Employees' Newsletter

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Spring 2014

Fully pre-funded

Pension plan — a success story

**By Dr. Bruce Kennedy
Executive Director
Public Service Pension Plan**

Do you know that you are a part of a good news story?

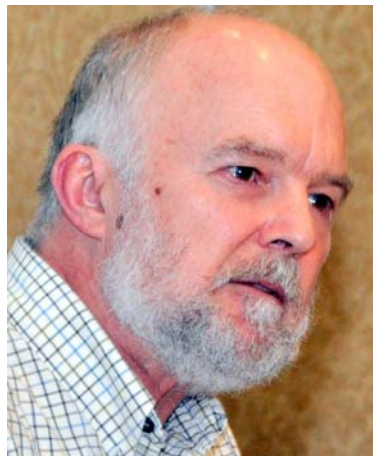
It's true.

The Public Service Pension Plan (PSPP) is a success story, and as a retired member, you can help spread the word by reading and sharing two important points.

Your pension is not a handout, and it's not a burden on younger workers or current taxpayers.

You and your employer pre-funded your basic pension benefit and built it up over many years.

PSPP pensioners are not being supported by the contributions of current PSPP contributors.



Dr. Bruce Kennedy

While you were working, you and your employer contributed to the plan.

Those contributions were productively invested and helped to provide long-term investment capital to the Canadian economy.

Now that your pension benefit is being paid out, on average 75 per cent of that payout

comes from those investment returns while 25 per cent is the original employer and employee contributions flowing back out of the plan.

As a plan member you have also contributed to the sustainability and overall fairness of the plan by bearing much of the plan's financial risk.

Under the plan's joint trusteeship arrangements you and other active members bore half of the risk associated with contribution rate increases.

In retirement you also bear a share of the plan's risk because your inflation adjustments and non-pension benefits are not guaranteed.

Overall, plan members bear over half of the financial risk of the plan. It is emphatically not the case that government, or

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B.C. Government Retired Employees' Association newsletter



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RETIRED EMPLOYEES'
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BELIEVE IT OR NOT

Much of the rock on
Vancouver Island originated
near the Equator in the
Pacific Ocean.

Undersea lava deposits
drifted northeastward and
collided with the North
American continent.

Two smaller pieces of crust
(Pacific Rim and Crescent
Terranes) collided with and
joined Vancouver Island.

**The opinions
expressed in The
Pen are those of the
contributors and not
necessarily those of
the BCGREA.**

Lapel pins Available for \$3 each

The association, to mark its
60th anniversary, had lapel
pins made.

These handsome pins may
be obtained from branch
executives at a cost of \$3
each.

Branch Executives may
obtain pins from Provincial
Membership Secretary
Nancy Stewart
stewa85@telus.net.



From left, Past President Lawrence Johnson, Second Vice-President Carrie Mulcahy, Secretary Cathy Torhjem, President Sarjit Manhas and First Vice-President Ken Pendergast

President's report

Pet Insurance soon for members

By Sarjit Manhas
President

Our Directors met in Tsawwassen on March 19. Consolidated Statements covering July 2012 through June 30, 2013, submitted by our Treasurer, David Adams were carried (See page 8).

Once again a reminder to all branches, if your statements are not submitted on time, the consolidated statement doesn't make it to the AGM.

We were fortunate to have Bruce Kennedy, Executive Director, Pension Corporation (Government Relations) as our speaker.

Over the course of an hour or so, he gave a power point presentation entitled "BC's Public Sector Pension Plans."



Second Vice-President Carrie Mulcahy and Eric Coulson (Pets + Us)

Our pensions are fully pre-funded and extremely well managed; in fact other provinces are using ours as an example and taking steps to make changes as well.

For those of you interested in the Debates of the

Legislative Assembly, I urge you to read Third Reading of the Committee of the Whole, Bill 8, Budget Measures Implementation Act.

MLA Michael Farnsworth concluded some remarks to

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Pension success

(Continued from page 1)

the taxpayers, bear all of the costs and risks associated with your pension.

Your PSPP is part of a well-managed and increasingly well recognized system of BC public sector pension arrangements.

This system includes the PSPP along with BC Investment Management Corporation, the Pension Corporation, and three other large multi-employer public sector pension plans (Municipal Pension Plan, Teachers' Pension Plan and College Pension Plan).

International bond rating agencies repeatedly cite the strength of BC's public sector

pension system as a significant factor supporting BC's triple-A credit rating.



Mike de Jong

Collectively, this provincial pension system is one of the best funded pension systems in North America.

Its governance and risk management arrangements

are increasingly being recognized as potential role models for other jurisdictions.

As Finance Minister Mike de Jong stated on March 13, 2014 in the BC Legislature: "There is a good story to tell, and one that I think we are at last beginning to get credit for, at least on the part of thoughtful analysts if not less in-depth analysis.

"Also, the methodology that has been developed around the joint trusteeship model is proving its worth."

The advantage of having an awareness of these points is that you too will be able to correct popular misperceptions and help tell the positive story about BC's Public Service Pension Plan.

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President's report

(Continued from page 3)

the Minister of Finance by saying”I know it is misinformation that is popular to be spread on all kinds of

through Johnson, Inc. For more information, you can visit their website at www.petsplusus.com.

Since the AGM last year, Lorraine Ibbitson and Reiner Augustin of Shuswap/Salmon

the Provincial Executive and Reiner did a power point presentation on the 19th.

These two documents went out to all Branch Chairs for review with their executive and membership.

Branches have been asked to target an issue(s) and let other branches know of their interest.

Sub-committees will have to be formed and most important, the Association will need a “champion(s)” to lead the sub-committees.

If you are interested in helping steer this forward, please contact sarjit@telus.net.

When next we meet, Table Officers will have discussions and prioritize the recommendations.



Reiner Augustin presents the Recruitment and Retention Committee report

media, whether it's on radio talk shows, — hosts who have a habit of talking about pension plans and the inability of the province to afford them.

“The fact is that our pension plans are in very sound financial shape in this province, and one of the reasons is because of the way they're currently structured.”

Minister of Finance agreed.

Eric Coulson, Champion of Sales and Operations, Pets Plus Us met with Table Officers the evening before the Directors' Meeting and subsequently made a presentation to Directors on the 19th as well.

Their pet insurance will soon be available to our members

Arm Branch were very busy. The Recruitment and Retention Committee, led by Reiner, developed a substantial report of all suggestions received from branches and individuals.

This report was submitted to



**Please respect
handicapped parking
signs**

To all of you – committee, branches and individuals – our thanks for your input and assisting with the preliminary report.

Every organization is feeling the crunch with regard to volunteers, new members and retaining those who are currently members.

(Former president) Lawrence Johnson has been able to once again have our Association present at retirement seminars. Each branch chair received guidelines for participation in their respective area. We have our Trustee to thank for his efforts in this regard.

The Lower Mainland Picnic is scheduled for June 26 at noon at Williams Park in Langley. There is always lots of food, entertainment and draws.

Did you know . . .

The Conference Board of Canada did a study in October of 2013 that was titled "Economic Impact of British Columbia's Public Sector Pension Plans?"

Some of the things that this study reported are:

1. In terms of the overall economy, the public sector plans lead to a larger savings pool for investment which raises the capital stock in the economy.
2. B.C. public sector pension plans result in higher

contributions to retirement savings than RRSPs, as they are designed to encourage a high rate of retirement savings.

3. British Columbia public sector pension plan members save more than through the plans other British Columbians are likely to through their plans.

They also pay less in management fees.

4. The higher level of savings and lower

management fees results in higher retirement income for British Columbia's public sector plan members.

5. British Columbia public pension plan members are among the best covered in the province.

The main reason that they are, for the most part, automatically enrolled in well-funded pension plans that replace a high percentage of pre-retirement income.

To review this report in full go the Pensions BC website; www.pensionsbc.ca and click on the "Straight Talk" tab

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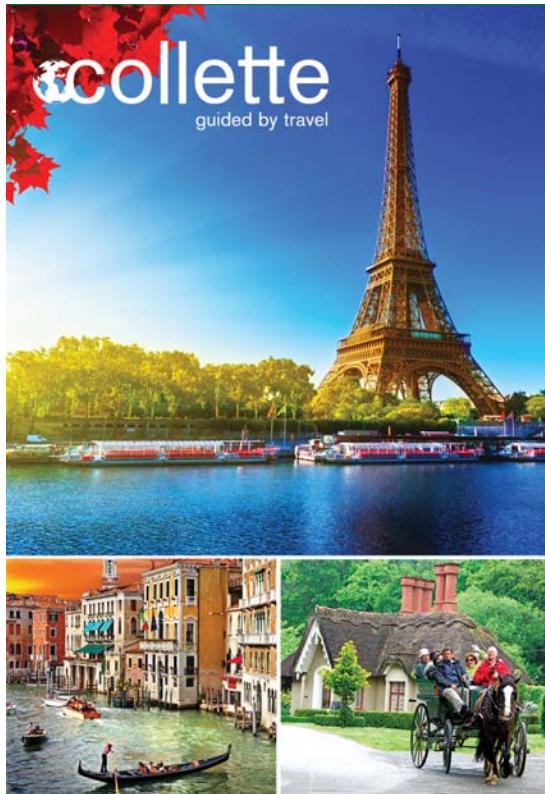
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Governments have role to play

Seniors call for new health accord

B.C.'s largest federation of seniors has called on the federal, provincial and territorial governments to negotiate "a new comprehensive health accord that protects, transforms and strengthens our national health care system."

At a special meeting held April 11 in Vancouver – 11 days after the expiry of the national health accord – about 100 seniors unanimously adopted a declaration that quality health care must be available to every resident of Canada without discrimination, and regardless of ability to pay.

"All levels of government have a role to play in the delivery of quality and accessible health care," said Lorraine Logan, president of the 107,000 member Council of Senior Citizens' Organizations of B.C.

(The BCGREA is a member of COSCO.)

"The federal government should give strong leadership in enforcing national standards, not walking away from the table and refusing to negotiate a new accord," said Logan.

"To ensure Medicare is not

fragmented, Ottawa must provide coordination, foster innovation, and provide financial support at a level that secures the integrity of the 1984 Canada Health Act," she said.

The meeting of COSCO delegates heard from three health policy experts on the issue.

Michael McBane of the Canadian Health Coalition said the Harper government has launched a "stealth attack" on Medicare, with reductions in funding scheduled for future years.

"This is a fight to maintain access so people can get care based on need," he said. Wendell Potter, former head of communications at a large health insurance company in the USA, said he walked away from his job when he realized private corporations were not improving access, were not improving quality of care, and looked on health care as a major profit centre.

"With help from the Fraser Institute, the company misinformed Americans about Canada's health care system,

calling it 'the slippery slope to socialism,'" said Potter.

He called on Canadians to carefully examine the misleading language used by those who promote privatization.

Alex Himelfarb – director of the Glendon School of Public and International Affairs at York University, former Clerk of the Privy Council and Secretary to the Cabinet for three prime ministers – said that private health care is far more expensive and has longer wait times.

Himelfarb called for a national Pharmacare program, a better approach to care for chronic illness, and the integration of home care and home support into Medicare.

"Countries that have done that have a more sustainable health care system than we have," he said.

Seniors at the meeting expressed outrage that the federal government has refused to negotiate a new health accord, effectively ending Medicare as a national program.

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BRANCH MEMBERSHIP CHAIRS

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The information to be sent, for the members preferring the electronic version is:

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If your Branch members who have computers have not viewed the electronic versions of THE PEN, perhaps suggest to them they might like to take a look. Previous issues are archived on our website. This may be one way of encouraging more use of the electronic version.

++ please note address of E-mail Co-ordinator — bcgreapen@gmail.com

Thank you,
Carrie Mulcahy



Membership Secretary Nancy Stewart



Treasurer David Adams, right, presented the consolidated financial statements. On his right are Vice-President Ken Pendergast and society legal counsel Albert Peeling