



# The Pen

Pensioned Employees' Newsletter

[www.bcgrea.com](http://www.bcgrea.com)

Fall 2008

## Awareness campaign launched

# Retired gov't employees want their benefits back

By Lawrence Johnson

The B.C. Government Retired Employees Association has launched a letter-writing campaign to pressure the B.C. government into restoring our pension plan benefits that were chopped in 2002.

The campaign is in tandem with our class action lawsuit, which seeks the reinstatement of those benefits that were lost to Premier Campbell's cutbacks.

Association lawyer Albert Peeling advised the association's Oct. 15 Annual General Meeting that the process of Discovery was

*(Continued on page 5)*



New BCGEU president Darryl Walker, with BCGREA president Lawrence Johnson, left, told the AGM both organizations must work together to protect our services

**B.C. Government Retired Employees' Association newsletter**



**BC GOVERNMENT  
RETIRED EMPLOYEES'  
ASSOCIATION**

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## Lapel pins Available for \$3 each

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

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

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## Pharmacare

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Membership required at time  
of registration

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## President's report

# Contest to boost membership

By Lawrence Johnson

The Public Service Pension Plan Board of Trustees has decided to discontinue our annual mail out done through the Pension Corporation to all persons who receive a pension from the Public Service Pension Plan.

This makes the task of attracting new members to our Association much more difficult.

Your table officers met twice since the last issue of The Pen – June 18 and Sept. 25. In addition your Association held its annual directors meeting March 28 and our Annual General Meeting on Oct. 15.

During our June meeting, we met with representatives of Johnson Inc. and discussed past performance of mailings to our members.

We have therefore announced a contest beginning Jan. 1, 2009, that will generate a contest entry for a sponsoring member each time they sign up a new member, plus a contest entry for the new member.

There will be two early bird draws, one in March and one in June plus a Grand Prize drawing at our Annual General Meeting in October 2009. Prizes are cash and gift certificates.

The BCGREA thanks Johnson Inc. for donating all



**Denis Carriere, right, swears in the new BCGREA executive. From left President Lawrence Johnson, First Vice-President Fred Bennett and Second Vice-President Sarjit Manhas, all of whom were re-elected. In background is Treasurer John Cone**



**Lawyer Albert Peeling provided an update on our court case**

the prizes. See your branch membership director for all the details. *(See p. 6 for details)*

### **Restore benefits, Premier urged**

In September we issued a news release asking the

Premier to make restoration of our pension benefits a priority of his government after he announced huge wage increases for senior bureaucrats.

We also asked each branch executive to issue the same article on behalf of their branch to local media.

Your Association sent out a mailer in late September, in co-operation with Elections Canada, to all our members advising them that their skills and experience were needed to work at polling stations on the Oct. 14 Election Day. The cost of this mail out was paid for by Elections Canada.

### **Dues increased by \$5 a year**

The Annual General Meeting passed a resolution to raise dues by \$5 a year with the understanding that the table

*(Continued on page 4)*

## President's report

(Continued from page 3)

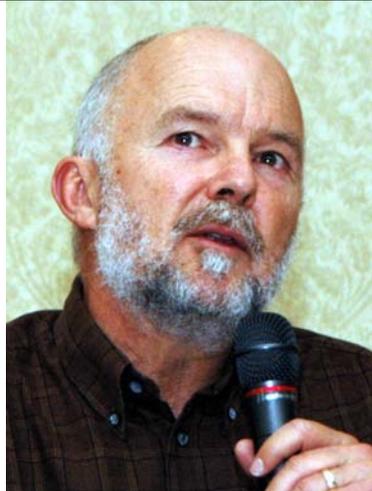
officers do everything possible to implement cost-saving measures that makes maximum use of every dues dollar.

An Action Plan to raise the profile of our class action lawsuit was passed at the AGM that includes having all branches hold at least one meeting that includes writing letters to the Premier and your local MLAs.

This plan also called on all delegates at the AGM to write a similar letter to Premier Campbell. I am happy to report that I have mailed all letters given to me.

### Pension plan protected

The annual general meeting



**Bruce Kennedy**

welcomed Bruce Kennedy, executive director of the Public Service Pension Plan Board of Trustees, who spoke of the Public Service Pension Plan Actuarial Valuation currently under way.

He spoke of the conservative investment strategy that the

trustees use to insulate the plan as much as possible from volatile markets. This strategy includes diversification of investments, investing in real assets such as commercial real estate and infrastructure assets.

Bruce also spoke about our pension plan being a defined benefit plan which means that the basic pension benefit is guaranteed including the inflation adjustments that have been made to the plan in past years.

He also said that future inflation adjustments are not guaranteed but depend on the resources in the Inflation Adjustment Account to fund the Consumer Price Index for the past year.

(Continued on page 7)

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**Delegates to the BCGREA Annual General Meeting voted overwhelmingly to launch a letter-writing campaign to inform the Premier and MLAs about the negative impacts that resulted from the cuts to our benefits, and ask that they be re-instated.**



**Awareness campaign**

*(Continued from page 1)*

partially completed in that Ed Bodner was examined by the province's lawyers. Our legal team examined a witness from the defendant at the end of October.

The legal process is also continuing with lawyers for both sides working on completing an Agreed Statement of Fact by mid November.

In addition our legal team is preparing for mandatory mediation, scheduled for early January 2009, to determine if a settlement acceptable to both parties can be reached with the

assistance of a mediator.

The Supreme Court of B.C. has scheduled a trial date for early February if mediation is unsuccessful.

Although several members have expressed frustration on the length of time it has taken since we first went to court for certification in October of 2005 it appears that the end is near.

Our legal counsel will be filing an additional lawsuit on behalf of everyone that began receiving a public service pension prior to Nov. 30, 2002 and worked for employers other than the Provincial Government shortly.

Our legal team has determined that there is legal precedence that allows a single additional lawsuit with a single representative plaintiff to represent everyone who is receiving a Public Service Pension but did not work for the Provincial Government.

It was previously thought we would require a lawsuit and a representative plaintiff, who had worked for, each employer who contributed to the Public Service Pension Plan other than the provincial government.

This has made the process considerably less difficult.

*(Continued on page 13)*

# Incentive plan to attract new members

Johnson Inc. has offered the Association \$1,750. for a member recruitment plan.

The recruitment plan is to increase BCGREA membership which we all agree is vital to the growth of our Association. It commences in January 2009. Provincial Table Officers and Central Office are exempt from the draw prizes.

The membership recruitment will be conducted separately in each branch.

The branch member (referral member) who enlists a new BCGREA member(s) will receive a draw entry each and every time they enroll a new member, i.e. two members enlisted – two tickets, etc. Simultaneously a new member will receive an entry ticket as well.

Your Branch Membership Director will be responsible for facilitating this and for maintaining an organized contact with the Provincial Membership Director.

Applications will be available from your Branch Membership Director. When a new member is recruited the application is to be returned to the Membership Director who will forward it to Mary Foster, Provincial Membership Chair. She will, in turn, create a draw entry ticket for both the referral and the new members.

Acknowledgement will be made to the Branch Membership Director who will then convey confirmation to the referral and new member.

There will be three draws –

Early Bird Draw # 1 @ March 2009 Directors' meeting

1 prize of \$250 - cash

2 prizes of \$100 - gift cards\*

Early Bird Draw # 2 @ June 2009 Table Officers' meeting

1 prize of \$250 - cash

2 prizes of \$100.00 - gift cards\*

Grand Final Draw @ 2009 October AGM

1 prize of \$500.00 - cash

1 prize of \$250.00 - cash

1 prize of \$100.00 - gift card\*

\*Selection of gift cards is at Association's discretion

Winners of the First Early Bird Draws will not be entered in the Second Early Bird Draw; however, First and Second will be entered in the Grand Final Draw (October 2009).

Prizes will be awarded at each draw. If the winner is not present, the cheques will be delivered to the Branch Chair or Membership Chair, whoever is present, for delivery to the winner.

THANK YOU JOHNSON INC. FOR THE CAMPAIGN FUNDING AND GOOD LUCK TO ALL OUR MEMBERS.

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## President's report

*(Continued from page 4)*

### **BCGREA working with BCGEU**

An information booth was set up at the BCGEU convention in June to raise awareness of our association and that we need the ideas and skills of new members when they retire from provincial government service.

I also met briefly with the newly-elected President Darryl Walker and invited him to be a guest speaker at our Annual General Meeting. Darryl accepted and made a very encouraging presentation to the delegates to our AGM.

He talked about continuing co-operation between BCGREA Branches and local community based BCGEU Cross-Component committees, and encouraged both organizations to work together on common issues within local communities and on a provincial basis including their campaign on Childcare.

Our association has also been invited to attend a meeting of the BCGEU's Community and Social Action Committee to talk about ways in which we can help each other on community and social action issues. We hope this will raise the profile of our association with union members and encourage them to join the BCGREA when they retire.

### **DVD to plug association**

We have also started to produce a promotional DVD that we will provide to the



**BCGREA representative and COSCO 2nd Vice-President Ian Buck, BCGREA President Lawrence Johnson and former BCGREA 2nd vice-president Wayne Dermody attended the recent BCGEU convention in Vancouver to raise awareness about our association**

Pension Corporation to be shown at their retirement seminars. It is our intent to provide this DVD to association branches to be shown at meetings and other venues to encourage new members to join our association.

I had the opportunity of meeting with most of the executive of the Nova Scotia Government Retired Employees Association in August in Halifax while on other business. It was

interesting to see the similarities and the differences of our two organizations.

They have a Dental Plan that they offer to their members as their pension plan does not offer a dental plan.

We also talked about the lack of other organizations in other provinces across Canada to represent retired provincial government employees and agreed to see if there is a need or willingness to organize similar associations in other provinces.

### **COSCO conference**

In September our association sent several delegates including some from the Interior to a COSCO conference on Health, Housing and Income held in Richmond.

The theme of the conference was "DON'T PLAN FOR SENIORS; PLAN WITH SENIORS".

We received a subsidy from



**BCGEU President Darryl Walker**

*(Continued on page 12)*

## BCGREA LAWSUIT & CHRONOLOGY OF EVENTS

1952	The BC Government Employees' Association obtained a medical plan in order to attract members.
1950s (late)	The government of the day took over the plan and its obligations. Benefits were paid from consolidated revenue. Joint contributory plan became a pension plan – consolidated revenue and employees (percentage of payroll). Pension Plan was a 2% defined benefit plan (2% per year of pensionable service, times average salary over a five year period). On retirement, employees were given letters advising them of the amount of their pension ( <b>that the health benefits they chose would be provided premium-free</b> ) and their choice was irrevocable. (1)
1981	An Inflation Adjustment Account was added to the pension plan, with 1¼% of the payroll being contributed by each - the government and the employees. Federal Taxation rules permitted an Inflation Adjustment Account to be added to a 2% formula pension plan. (2)
1960s-2001	MSP and Extended Health Benefits were provided to all employees and continued for pensioners upon retirement. Benefits were paid by the government from consolidated revenue (direct subsidy from the government)
1994-2001	Dental Plan was added and paid for by using the government's 1.25% contribution to the Inflationary Adjustment Account (IAA). Cost of dental benefit was paid from the contribution before it was deposited to the IAA (see note (2) above)
1999	Legislation was passed in July 1999 placing the Pension Plan under Joint Trusteeship on April 1, 2000 through an agreement signed by two partners; 1) the Government of the Province of British Columbia and the BC Government Employees Association. The Board of Trustees has 14 members, half appointed by plan members and half appointed by government. Under Joint Trusteeship, plan member and employer representatives are trustees and share equally in authority and responsibility for the pension plan and the pension fund. ( <b>the pension plan and the pension fund did not include the health benefits</b> )
2001	The government increased its 1 ¼% contribution to 2 ¼% and put \$100M into the IAA. The health benefits were paid for from the 2 ¼% contribution with the balance being placed in the IAA ( <b>the benefits were costing approximately .75%</b> )
2002	Pension Trustee Board realized the government's changes to MSP, Pharmacare and rising cost of health care, the government's subsidy to provide the pensioners health benefits would no longer cover the cost of the benefits. Trustees made a decision to reduce the coverage and require the pensioners to pay the increase in the cost of MSP benefits, effective January 1, 2003. The trustees made this decision <b>notwithstanding the legislation passed in 1999 which did not make them responsible for the health benefits.</b>
2003	The government amended the legislation and made the trustees responsible for, if they chose to sponsor, "a program of post retirement group benefits for retired plan members and their dependents". Government also amended the definition of the 'pension fund' to mean cash, investments and other assets of the pension plan held by the

	public service board.
<b>Summary</b>	<ul style="list-style-type: none"> <li>• Government provided group health benefits from the 1950s to employees and to retirees, paying for these benefits and promising them premium-free to employees at retirement</li> <li>• In 2002 the government did not provide sufficient money to pay the cost of group health benefits contrary to their promise to employees at retirement, and caused the Pension Trustee Board to advise pensioners that the group health benefits package would be reduced.</li> <li>• In 2003 the government amended the pension legislation to make the Pension Trustee Board responsible for post retirement group benefits</li> </ul>
2004	In March, the Directors of the British Columbia Government Retired Employees' Association met in Vancouver and received presentations from Greg Hurst and Peter Waldmann with regard to the possibilities of launching a class action suit against the government for non-payment of increases in universal MSP premium brought into effect on May 1, 2002; introduction of a \$250 per family deductible per year for Extended Health Plan; introduction of a co-payment of 30% for claims paid up to \$2000 per person per year; (Extended Health Plan continued to pay for 100% of payments above \$2000 per person per year); elimination of out of country coverage and lifetime limit increased for EHB claims to \$100,000 (BC Reg 276/02, effective January 1, 2003).
2004	Directors make decision to proceed with a class action suit and retain Peter Waldmann as Legal Counsel
2004	<ul style="list-style-type: none"> <li>• Writ of Summons filed between Ed Bodner, then President of BCGREA (Plaintiff) and Her Majesty the Queen in Right of the Province of British Columbia (Defendant)</li> <li>• Statement of Claim and Amended Statement of Claim filed in Supreme Court Registry</li> <li>• Crown files response and asks for dismissal denying any and all allegations</li> <li>• Crown subsequently files amended Statement of Defence</li> </ul>
2005	<ul style="list-style-type: none"> <li>• Crown files Third Party Notice (naming Public Service Pension Board of Trustees and within several weeks drops the Pension Board of Trustees as Third Party with no explanation)</li> <li>• Ed Bodner removed as Plaintiff since he is a Trustee on the Board of the Pension Corporation (perceived Conflict of Interest)</li> <li>• Subsequently Crown drops third party (Pension Corporation) giving no reason for it</li> </ul>
2005	On November 4 Crown appeared before The Honourable Mr. Justice Robert Edwards asking for an adjournment to January. Justice Edwards made no ruling and instead indicated that one week had been set aside in the Supreme Court for a Hearing and the case should go forward. Crown notified that Fred Bennett will now be the Plaintiff.
	November 14, 15 and 16 case if heard by The Honourable Mr. Justice Melvin. The Crown on the morning of the 14 <sup>th</sup> , attempts to get an adjournment. The Justice denies the adjournment and the hearing commences after a 15 minute break. Concludes on the morning of the 16 <sup>th</sup>

	Mr. Justice Melvin delivers his Judgment on November 30 (3)
	Crown files appeal on December 14 – Reason is denial of adjournment. Crown files second appeal on December 16 – Reason is dismissal of stay of proceedings on basis that the claims should be determined through grievance arbitration. Court did not concur.
2006	Crown files third appeal “that the Court erred in its Judgment” (4) and files documentation including Reasons for Appeal. (5)
	Plaintiff files Response to Factum. Hearing dates for Appeal are set for October 19 and 20 at the Appellate Court in Vancouver.
2007	BC Court of Appeal issues its Judgement. We can proceed in two ways; 1) for retirees who had retired from a job working directly for the provincial government could proceed with “breach of contract” and 2) for retirees who had retired from a job working for an employer other than the provincial government and who contributed to the Public Service Pension Plan could proceed with “breach of fiduciary duty”...interpreted to mean those employed with Crown corporations, agencies and commissions.
	Crown again decides to appeal this decision and seeks “Leave of the Court” to be heard by the Supreme Court of Canada. Our counsel also asks the Supreme Court of Canada to hear our appeal to have part of the BC Court of Appeal judgement overturned (that part which separates retirees who worked for employers other than the provincial government.
2007	In June, Supreme Court of Canada denies Crown’s request and denies the request from our counsel. As of that decision there is a status quo and the case rests on the Judgement made by the Court of Appeal.
2008	In July this year, Crown conducts Examination for Discovery and calls one witness. Our counsel will conduct Examination for Discovery in October and also called one witness.
	Discovery conducted by our counsel late October

(1) A registered pension plan can only be used for pensions. It cannot be used for group benefits.

(2) The Inflation Adjustment Account (IAA) can only be used for an inflation adjustment. It cannot be used for group benefits.

(3) Excerpts from November 30, 2005 Judgment:

“This is a case where the advantages of a class proceeding are so apparent as to be incontrovertible. Against this, one must weigh the disadvantages, in terms of cost and inaccessibility to justice, that is group of retired persons would face in obtaining individual determinations of their alleged claims. A certification motion is not a determination on the merits. It is entirely procedural. The motion is granted”

“(47) I am satisfied under all the circumstances that a consideration of the provisions of a s.4(1) and (2) of the **Class Proceedings Act** lead inexorably to the conclusion that a certification of the class as presented by the plaintiff is the

most appropriate way of determining the issues which are outstanding between the parties”

“(48) The defendant’s application for a stay of proceedings on the basis that the claims should be determined through grievance arbitration is dismissed, as I am satisfied that grievance arbitration is not available” (this refers to (3) in the Table)

“(49) Consequently, the plaintiff’s application for certification as a class action is granted and the following orders are made:

The class is to be composed of:

- (a) persons who are Residents of British Columbia and are members of the British Columbia Sector Pension Plan (the “Pension Plan”) who retired on or before November 30, 2002 (the “Retirees”) and who are entitled to receive premium-free Medical Services Plan Benefits and Extended Health Care Benefits (the “Retiree Benefits”) at their respective dates of retirement;
- (b) the surviving spouses and dependents of the Retirees who are Residents of British Columbia and who were entitled to receive premium-free Retiree Benefits as of November 30, 2002; and
- (c) the beneficiaries and/or estates of persons in paragraphs (a) and (b) above who died prior to any settlement of judgment in this action;”

Court of Appeal will decide the validity of appeals and can reject any and all. Once the notices are filed (must be within 30 days of Hearing), the defendants (Crown) are given 60 days to ‘perfect’.

- (4) As of March 22, 2006, Crown has not completed their filing. Once filed, BCGREA Counsel have 30 days to respond and in due course, dates for appeals will be given by the Appeal Court.
- (5) Government continues to maintain that the action falls under collective bargaining and therefore, must be adjudicated by grievance procedures.
- (6) Throughout the proceedings, BCGREA has asked for a negotiated settlement with no response from the government.



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handicapped  
parking signs**

## **PharmaCare**

If you want to access your account information at PharmaCare, please call 1-800-663-7100. Their brochure has been updated and is available.

## President's report

*(Continued from page 7)*

COSCO that allowed us to send more than 10 delegates to this conference. Thank you to the Council of Senior Citizens Organization of B.C. for this assistance.

This was a well-organized conference with several guest speakers, workshops and panel discussions.

Guests included former Saskatchewan premier Roy Romanow, representative from the United Way of the Lower Mainland and several professors from UBC, the College of the Fraser Valley, Simon Fraser University, the Ministry of Health and representatives from Co-operative Housing Foundation of Canada, representatives of

Social Planning and Review Council of BC (SPARC), representative from an assisted living facility and a representative from Home & Community Care from Ministry of Health Services.

Delegates also attended the National Pensioners and Senior Citizens Federation Convention held in September in Surrey. This convention debated several high priority issues including seniors' income, through the Canada Pension Plan, Old Age Security and Guaranteed Income Supplement as a significant portion of seniors in Canada live below the Poverty Line.

Other issues included the cost of prescription medication, the need for a National Pharmacare program, the need for an

improved health care system and to keep health care in the public system and away from a privatized model, including staying away from a two-tiered medical system.

### Meetings, meetings

I have attended meetings of the following Branches:

Nanaimo/Mid-Island  
South Okanagan  
Duncan  
Campbell River (Branch Executive)

I want to thank all of the table officers for their continuing dedication to this organization and to all of their hours of hard work.

Finally thank you to everyone whom I met over the past year. It has been a great experience. I look forward to the upcoming year.

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## Awareness campaign

*(Continued from page 5)*

In the meantime a plan of action was adopted at the AGM that includes having letter-writing meetings in all our branches to make the premier and all members of the Legislature more aware of the huge negative impact that the cutbacks in pension benefits have caused you and your families.

If you are unable to attend a branch meeting you are encouraged to write, phone, fax or e-mail Premier Campbell and your local MLA to make them aware the harm and hardships caused by the 2002 cutbacks and of the need for them to restore your pension benefits retroactively to November 2002.

If you receive a response to your letter we ask that you share that response with your branch executive.

This is your opportunity to be actively involved in getting your pension benefits restored to the level you were promised when you retired.

## Reminder

**A reminder that we continue to pay Counsel disbursement costs only for the Class Action case. To offset these costs, donations will be gratefully received and can be sent to John Cone, Provincial Treasurer, BCGREA, 3478 Littleford Road, Nanaimo, BC V9T 4E2. Thank you.**

## Meet your executive

# 2nd Vice Sarjit Manhas gives back to community

Sarjit Manhas, 2nd vice-president

Sarjit was born in Leechtown, near Sooke, and raised and educated in Esquimalt and Victoria.

Prior to joining the British Columbia Government in 1969, she traveled extensively through India and the Middle East (lived in the Sudan).

Her service career for the first 23 years was with ministers of Economic Development, Tourism, Agriculture & Food, Mining, Post Secondary Education and the Attorney General.

Before retiring in 1996, she was the briefing coordinator for the Ministry of Health.

On retirement, she immediately joined BCGREA and served on the Victoria executive in various positions.

She became chair of the Branch in 2003.

Sarjit's current volunteer service includes the Canadian Scottish Regimental Association due to her early Reserve military service with the Canadian Scottish Regiment (Princess Mary's).

She is a member of Pioneer Co-operative Housing Association and is generous



**Sarjit Manhas**

with her time on cooperative housing issues.

She has also given service to the Royal British Columbia Museum (Gift Shop), the READ Society and the Greater Victoria Art Gallery.

Sarjit strongly believes in public service and "giving back" to the community.

Her leisure time is spent reading spy thrillers, gardening, entertaining, working out, decorating and creating pieces of stained glass art.

In between, she enjoys the company of her teacup Chihuahua, Santiago.

She is divorced and has one son.



# Memorandum

**To: bcIMC's Pension Clients**

**From: Doug Pearce CEO / Chief Investment Officer  
British Columbia Investment Management Corporation ("bcIMC")**

**Date: October 1, 2008**

**Subject: Financial Market Turmoil**

The current turmoil in the financial markets has generated concern amongst pension plan members and clients about the impact that this volatility may have on their pension plans' investment portfolios, and in turn, their pensions.

I would like to reassure clients and their members that their pension funds are secure.

It is true that these are challenging times and bcIMC expects this volatility to continue into 2009. However, I believe that bcIMC and our clients are well placed to weather this environment in a number of ways:

- bcIMC had been expecting this market correction for some time and positioned the plans' investments defensively (for example, underweighting equities and increasing cash);
- The plans' investments are well-diversified across a wide range of asset classes including cash, government bonds, stocks, real estate, and infrastructure (e.g., utilities, roads and bridges); and
- bcIMC is not directly exposed to the risky products at the root of the upheaval such as subprime mortgages, non-bank sponsored asset backed commercial paper, credit default swaps, or hedge funds. Furthermore, bcIMC does not use leverage, or borrowing, in the public markets.

Despite our conservative investment approach, bcIMC and the plans' investments are not immune from the broad market impact. Although short-term volatility will impact performance, bcIMC invests for the long-term. The long-term investment returns of the pension plans remain strong and, as long-term investors, the plans are well positioned to weather the recent events of the financial markets. Within this environment, bcIMC will continue to adhere to our disciplined investment philosophy.

On the positive side, bcIMC expects that the recent market correction will eventually restore a more balanced view of risk in the marketplace, and will help purge the excesses from the system. Down markets like these also present opportunities in the form of undervalued investments that large investors, like the pension plans, can take advantage of to enhance future returns. bcIMC is expecting to capitalize on some of these opportunities.

In conclusion I would like to reiterate that bcIMC's clients can rest assured that their pension fund investments are safe and well-positioned for the long term.

Regards,

*Doug Pearce, CEO / CIO*

# BCGREA Financial Statements

## B. C. Government Retired Employees Association

### Statement of Revenue and Expenditures

July 1, 2007 to June 30, 2008

#### REVENUE

Dues		130,975.00	
Exp. Reimbursement		34,108.37	
Other			
	Interest earned	5,245.17	
	Draws & raffles	2,779.90	
	Donations	1,444.00	
	Miscellaneous	130.84	174,683.28

#### EXPENDITURES

Applications & Brochures		752.80	
Audit Fees		700.00	
Bank Charges		180.78	
Bursaries & Donations		4,313.40	
Central Office		10,754.52	
Computer & Internet		2,150.00	
Dues & Fees		4,380.10	
Good & Welfare	Branches	1,180.36	
Guest Meals & Room Rentals		2,335.86	
Honorariums & Space Rental		12,610.00	
Insurance and Legal Expenses		25,350.88	
Luncheons & Special Events		16,661.17	
Meetings		54,131.35	
Miscellaneous		466.28	
Newsletters		25,768.36	
Office		6,380.92	
Postage & Printing		4,567.40	
Presentations		376.06	
Rally			
Telephone		1,281.35	
Travel		18,391.38	192,732.97
	Deficit		-18,049.69

## British Columbia Retired Employees Association

### Balance Sheet as at June 30, 2008

#### ASSETS

##### Balances as at July 1, 2007

Bank and/or Credit Union		Prov. Body	15,124.40	
		Branches	63,365.12	78,489.52
Term Deposits	Prov. Body	Regular	43,500.00	
		Legal Fund	50,000.00	93,500.00
		Branches	71,418.74	164,918.74
Savings Accounts		Branches		4,408.83
Cash on Hand		Branches		1,549.48
Shares		Branches		469.03
Prepaid Expense		Prov. Body	250.00	
		Branches	200.00	450.00
Equipment		Prov. Body		2,030.16
Inventories		Prov. Body	2,481.05	
		Branches	19.60	2,500.65
Exp. Advances		Prov. Body		500.00
Surplus/ Deficit		Prov. Body	-25,211.74	
		Branches	7,162.05	-18,049.69
<b>TOTAL ASSETS</b>				<b>237,266.72</b>

##### Balances as at June 30, 2008

Bank and/or Credit Union		Prov. Body	6,704.18	
		Branches	68,045.48	74,749.66
Term Deposits	Prov. Body	Regular	45,000.00	
		Legal Fund	30,000.00	75,000.00
		Branches	73,058.08	148,058.08
Savings Accounts		Branches		6,104.19
Cash on Hand		Branches		658.12
Shares		Branches		510.18
Prepaid Expenses		Prov. Body	250.00	
		Branches	200.00	450.00
Equipment		Prov. Body		3,489.00
Inventories		Prov. Body	2,530.69	
		Branches	16.80	2,547.49
Exp. Advances		Prov. Body		700.00
<b>TOTAL ASSETS</b>				<b>237,266.72</b>



Treasurer John Cone



Branch 600 Membership Chair Nancy Stewart



Branch 200 Vice-Chair Joe Hahn



**President Lawrence Johnson and John Cone**



**Bennett, Branch 1000 Chair Lorraine Ibbitson and Ron Dash**



**Vice-President Fred Bennett and Branch 800 1st Vice-Chair Wendell Ratcliffe who accepted the certificate on behalf of Rosa Fun**



**Bennett and Ibbitson who accepted on behalf of Frances Laws**



**Johnson and Membership Chair Mary Foster**



**Branch 2600 Treasurer David Adams presents certificate to Neil Robertson**

## Honourary life memberships

# Johnson boosts home coverage

Johnson Inc. has boosted coverage at no cost to policyholders who are over the age of 50.

Specially designed for its 50+ Home clients, the new PS-50+ Assist Plan provides a range of services from assistance with certain day-to-day activities to more specialized nursing care or therapy services.

## Coverage Details

Morale Support: Experienced professionals are available 24 hours a day, seven days a week to provide morale support and direction to appropriate resources the community for policyholders who are having difficulty dealing with personal issues.

## Companion Services

Reliable, caring help is available to policyholders following a five-day hospitalization to support them in these early days after release from hospital.

## Helpline

Seniors who want information on anything from where to get a fishing licence to how to get a lift to the grocery store can call toll-free 1-800-465-4911 8:30 a.m. to 4:30 p.m. Monday through Friday.

## Nursing

Registered nurses are available to work with the policyholder after a five-day hospitalization to help restore their health.

## Housekeeping

Professional home cleaning services are available after a five-day hospitalization to meet the occasional needs of the policyholder.

## Home Repair Referral Services

Experienced professionals are

available to assist homeowners in finding qualified contractors and suppliers for home repairs (excluding repairs arising from a claim) and improvement projects.

## Eligibility

The PS 50+ Assist Plan is available to all home clients who insure their principal residence with us and where the named insured or the named insured's spouse is 50+.

### THINKING OF GOING SOMEWHERE?

**20 Day Panama Canal – April 27, 2009 aboard MS Veendam**  
From Fort Lauderdale cruise thru Panama Canal to Vancouver. Great ports! Cabins starting at \$2510US pp incls taxes based on dbl occupancy. Air arrangements made separately. Deposit due now! Wine Package & Pinnacle Grill Dinner included.

**7 Day Alaska - Holland America aboard Volendam - June 24, 2009** Roundtrip from Vancouver visiting Tracy Arm, Juneau, Skaguay, Glacier Bay and Ketchikan. Pricing from \$1179.00C pp incls all taxes, fuel surcharges based on dbl occupancy Deposits - \$215 pp due now!!

**13 Day Alpine Countries and Oberammergau Play - May 21 - June 2, 2010** Highlights include Vienna, Danube Cruise, Salzburg, Mozart Dinner Concert, Munich Oberammergau Passion Play, Neuschwanstein Castle, Black Forest, Zermatt, Lucerne, Bern - includes air from Vancouver & all taxes - \$6500 per person Reserve your spot now!

**11 Day Leisurely Tuscany, Rome & Sorrento (only 3 hotels)– May thru September departures starting at \$1745 pp based on double occupancy land only** - Air arrangements made separately. Rome, Montecatini, Pisa, Florence, Siena, Sorrento some optional tours available.

**2 Day Cruise Norwegian Pearl – Vancouver to Seattle May 8-10,2009** Inside cabins start at \$282.43C pp based on dbl occupancy. Quick Shuttle back to Vancouver approx \$55US; Clipper to Victoria approx \$79US – spend a couple more days in the Seattle area!

*Any special travel requests or do you have a family reunion coming up? Call me and we'll plan together.*

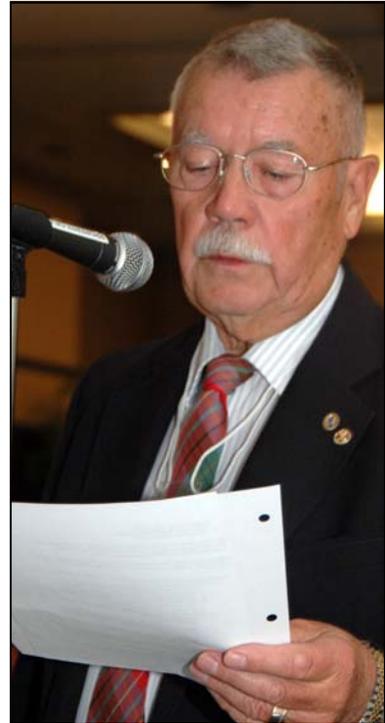


Dianne Liberto at [dliberto@travelonly.net](mailto:dliberto@travelonly.net)  
Tel: 250-413-3188 or Cell 250-208-2375  
1027 Pandora Avenue, Victoria, BC V8V3P6

BC Reg 29791



**Membership Chair Mary Foster kept Branch chairs and membership chairs busy at a seminar the night before the annual general meeting**



**Branch 500 Chair Denis Carriere**



**Lynda Stewart and Dianne Anderson of Johnson Inc. with Branch 100 Vice-Chair Lloyd Hopper**



**Branch 300 Chair Jack Selman**

# Estate & Tax Planning Tips

By Thomas D. Martell, CFP, CLU

Canadians age 65 and older may qualify for many valuable government benefits – Old Age Security and the Age Credit, are examples. However, if the income reported on line 234 of the Federal Income Tax Form is too high, these benefits can be clawed back and, in some cases, forfeited altogether. This can result in the loss of thousands of dollars in benefits.

Avoiding clawbacks takes more than simply creating tax credits – which reduce the taxes owing. It is important to look at ways to actually reduce reported income. Here are two solutions for achieving this goal.

## 1. CAREFULLY STRUCTURE YOUR NON-REGISTERED INCOME

Active management of income-generating investments can significantly affect the way income is taxed, and may help reduce clawbacks. The following example, based on \$10,000 of non-registered investment income, shows the impact of different types of investment income.

Consider the amount reported on your tax return with income of \$10,000.00

<u>Source of Income</u>	<u>% Included on Tax Return</u>	<u>\$ Amount Reported</u>
Eligible Dividends(1)	145%	\$14,500
GIC/Bonds	100%	\$10,000
Capital Gains	50%	\$5,000
Income Fund with Return of Capital	40% (2)	\$4,000
Prescribed Life Annuity	30% (3)	\$3,000
Segregated Fund Withdrawals	2.5% (4)	\$250

1 Dividends paid by public corporations qualify as "eligible dividends". Non-eligible dividends are included at 125%.

2 Taxable percentage will vary depending on the fund and may vary from year to year.

3 Taxable percentage approximated for a 65 year old female.

4 Taxable percentage in year one, grows to 20% in year 10. 5% rate of return assumed on an investment of \$200,000.

## 2. CREATE DOLLAR-FOR-DOLLAR TAX DEDUCTIONS

When retirement arrives, most of the familiar deductions (RRSP, Pension, child care, union dues, etc.) are no longer available. However, there are still some appealing options.

**RRSP top-up:** Those with unused RRSP room should make a lump sum final contribution prior to converting to a RRIF. The resulting deductions can then be spread over several years.

**Borrow-to-invest:** By using RRIF or other discretionary income to pay the interest on funds borrowed to invest, a tax deduction can be created. This strategy is for investors with discretionary income not needed for living expenses.

For more information on this and other tax & estate planning tips, make the time to talk to your financial advisor today.

**B.C. Government Retired  
Employees Association  
PO Box 209  
1 — 5765 Turner Road  
Nanaimo, BC V9T 6M4**



**BCGREA table officers met with our legal team, lawyer Albert Peeling, top left, and Catherine Boies Parker, left top right hand picture, to review progress of our action against the B.C. government to regain the benefits lost to cutbacks imposed by Premier Campbell in 2002.**

**Past President Ed Bodner**