

From: The Constitution and Bylaws Committee

Recommended changes to the constitution

Item 1 - Constitution and Purpose Statement

Motion 1

Member-Funded Society

Whereas The Society Act was altered in 2016 to allow societies to be designated “member-funded” societies if a society’s income is from members only and the society does not receive government grants or outside donations;

And Whereas this designation enables a society, among other things, to distribute its assets to its members on any potential winding up;

And Whereas this issue has been examined in some detail by the Bylaws and Constitution Committee to address these concerns; (**see Appendix A**)

And Whereas in such cases the society must include the following specific wording in its constitution: “This society is a member-funded society. It is funded primarily by its members to carry on activities for the benefit of its members. On liquidation or dissolution, this society may distribute its money and property to its members.”

Therefore be it resolved that:

The BCGREA be declared by its members to a member-funded society, and that the following paragraph be included in its constitution as therefore required by the Society Act:

This Society is a member funded society. It is funded primarily to carry on activities for the benefit of its members. On liquidation or dissolution, this society may distribute its money and property to its members.

Motion 2

Whereas the current constitution of the BCGREA reads as follows:

The name of the Society is the BRITISH COLUMBIA GOVERNMENT RETIRED EMPLOYEES’ ASSOCIATION.

The purposes of the Society are:

- 1. To promote the welfare of all persons in receipt of a pension under the Public Service Pension Plan; and*
- 2. To be non-partisan.”*

And Whereas the BCGREA 2021 survey indicates a desire by members to more clearly delineate our society's purposes;

And Whereas this issue has been examined in some detail by the Bylaws and Constitution Committee to address these concerns;

Therefore the Committee recommends the following resolution:

The present constitution be vacated and replaced with the following:

1. The name of the Society is the British Columbia Government Retired Employees Association ("the Association"),

2. Purposes: the purposes of the Association are:

- a) to promote and safeguard the interests and welfare of its members,*
- b) to promote the interests of seniors as defined by the Seniors Advocate Act (SBC 2013 c. 15),*
- c) to protect and enhance our Public Service Pension Plan and other related pension benefits for the benefit of current and future retirees,*
- d) to communicate to members on the activities of the Association and matters of common interest,*
- e) such other purposes as established by the membership, and*
- f) to be non-partisan.*

3. Member-Funded Society: This Society is a member-funded society. It is funded primarily by its members to carry on activities for the benefit of its members. On its liquidation or dissolution, this society may distribute its money and property to its members.

Recommended changes to the terms for elected officers.

Item 2 - Bylaw Part 6 - Directors and Officers

Motion 1

Whereas the current bylaw reads

30. (a) The President, First Vice-President, Second Vice-President shall be elected at each Annual General Meeting.
- (b) An election may be by acclamation. If more than one Member is nominated for any of these offices, an election by secret ballot shall be held for that office. The President shall appoint three scrutineers, none of whom shall be a candidate for office, to count the ballots. The candidate receiving the greatest number of votes shall be elected. In the event of a tie vote, the Electoral Officer shall cast a deciding vote.
- (c) Elected Officers shall take office at the close of the Annual General Meeting and shall remain in office until the close of the next Annual General Meeting.

And Whereas this issue has been examined in some detail by the Bylaws and Constitution Committee to address the concerns of continuity between elected officers terms of office.

Therefore be it resolved that:

Elected officers shall take office at the close of the Annual General Meeting and shall remain in office until the close of the next annual meeting subject to the following:

(a) commencing in 2024, the president's term shall be two years, with each term continuing until the end of the second Annual General Meeting following the election of the president;

(b) commencing in 2025 the first vice-president's term shall be two years, with each term continuing until the end of the second Annual General Meeting following the election of the first vice-president;

(c) commencing in 2025 the second vice-president's term shall be two years, with each term continuing until the end of the second Annual General following the election of the second vice-president.

Appendix A

February 8, 2023

Memo from Legal Counsel, Michael A. Miller

Member Funded Society

The BC *Societies Act* came into force on November 28, 2016 allowed for the creation of a special type of society, called the member-funded society.

Member-funded societies are societies which are funded primarily by the members to carry on activities for the benefit of those members. The key differences between member-funded societies and publicly funded societies and other charitable organizations are that member funded societies:

- (a) are primarily funded by the members and are limited in the amount of public donations and government funding they can receive;
- (b) carry on their activities for the benefit of the society members;
- (c) have more flexibility with respect to governance;
- (d) have more control over financial reporting to the general public; and
- (e) on liquidation are permitted to distribute the society assets to entitled to distribute assets to any person or entity specified in their bylaws or in an ordinary resolution, including the society members.

As noted above, member-funded societies are generally more administratively more flexible and subject to fewer operational restrictions.

The primary restriction for a member-funded society relates to how it is funded. Specifically, a member-funded society must not have received:

- (a) public donations;
- (b) government funding; or
- (c) a combination of public donations and government funding having a total value greater than the amount specified in the *Societies Regulation*.

Currently the maximum amount permitted by regulation is the greater of:

(i) \$20,000; and (ii) 10% of the society's gross income; received within a period of 2 consecutive financial years.

Comments

- Given that B.C.G.R.E.A. is almost entirely supported by member fees, and does not anticipate receiving donations or government funding exceeding \$20,000 over 2 consecutive financial years, it is in a position to take advantage of the enhanced flexibility available to member-funded societies.
- Note that removal of operational restrictions from member-funded societies generally pertains to interactions between the society and the general public. For example, restricting the availability of financial information to the general public does not remove the right of members to inspect financial statements and other records that the society is required to keep.
- Note also, the provisions relating to member-funded societies are permissive not mandatory. A member-funded society is still free to implement whatever rules and policies it deems to be important, either in the bylaws or in its rules and policies. The number of directors, for example, could be set at 5 even though only one is required.

Summary of Benefits to Becoming Member-Funded Society (B.C.G.R.E.A.)

- No requirement to disclose the remuneration of their directors, employees or contactors to the public;
- No requirement to provide public access to annual financial statements (members only);
- Ability to distribute assets to any person (including members) specified in the bylaws or in an ordinary resolution;
- No restriction on number of directors employed or contracted by society;
- Upon dissolution, can be converted to a BC company;

Summary of Disadvantages to Becoming Member-Funded Society (B.C.G.R.E.A.)

- Not able to register as a charitable organization;
- Limited ability to receive public donations or government funding;

Item	Member-Funded Society	Society
<p>Public Donation Government Funding</p>	<p>Restricted</p> <p>current Societies Regulation restricts availability of public donation or government funding to the greater of \$20,000 or 10% of the society's gross income in a two-year financial period</p> <p>*donations from members or directors are not considered "public donations"</p> <p>*a member-funded society is not eligible to be a registered charity</p>	<p>No Restrictions</p> <p>No limit on public donations or government funding</p> <p>*eligible to be registered a charity if <i>Income Tax Act</i> criteria met</p>
<p>Distribution of assets</p>	<p>No Restrictions</p> <p>assets may be distributed to members on wind up</p> <p>*note that distribution on wind-up may be specified or restricted by the terms of the Constitution if desired</p>	<p>Restricted</p> <p>Assets may only be distributed to certain entities</p> <p>societies, registered charities, community service cooperatives</p>

<p>Board of Directors</p>	<p>No Restrictions</p> <p>only one director required no director residency requirements directors may be employed by or enter into contracts with the society</p>	<p>Restricted</p> <p>minimum of 3 directors 1 director must be BC resident only a minority of directors may be employed by or enter into contracts with the society</p>
<p>Disclosure of Information</p>	<p>No Restrictions</p> <p>no public right to obtain copies of financial statements</p> <p>no requirement to disclose remuneration paid to directors or amounts paid to directors from employment or service contracts from society</p>	<p>Restricted</p> <p>financial statements must be provided on request made by any person</p> <p>financial statements must include disclosure of remuneration paid to directors or amounts paid to directors from employment or service contracts from society</p>
<p>Conversion to company</p>	<p>No Restrictions</p> <p>can convert to BC company</p>	<p>Restricted</p> <p>cannot convert to BC company</p>