

PPAO Annual Meeting October 19, 2011

Hosted by the Toronto Police Retirees Association (TPRA) at the Radisson Inn, Victoria Park, Toronto

Approx 40 members were in attendance

The introduction was made by Don Graham, the interim president for Toronto Police Retirees' Association. Their president, Art Lymer, was too ill to fulfill his duties at the time. Toronto Police Chief, Bill Blair, was also unable to attend and welcome us because of a last minute commitment with his police board regarding their upcoming budget.

Federal Crime Legislation (Paul Bailey)

This new legislation will cost Canadians 5 to 8 billion dollars. Essentially, it will help build more prisons and increase custody lengths.

Introduced on September 20, 2011, the new crime legislation will boost police and prosecutorial powers targeting drug traffickers, child sex predators and "out of control youths" Violent and repeat young offenders would be kept in custody awaiting trial and adult sentences would be considered for murder, attempt murder, manslaughter and aggravated sexual assault.

Recommendations:

The PPAO allow for open discussion regarding the legislation and determine if the PPAO wish to support this legislation and communicate that support to the federal government..

The PPAO monitor and report back to the membership on the status of this important legislation as it makes its way through the House of Commons.

OMERS Indexing Issue (Jim Garchinski)

The PPAO has been investigating the issue of whether OMERS' indexing formula change has been transparent and fair to retirees.

Prior to 1992, inflation increases, applicable to pension benefits paid under the Plan, were granted on purely ad hoc basis. In 1992 the Board implemented guaranteed indexing which produced 70% of the CPI (Consumer Price Index) with a 6% cap. The remaining 30% could be provided through ad hoc increases if there were sufficient funds available. From 1992 to 1998 the Board topped up the amount of the annual inflation increases each year to 100% of CPI. In 1999 the Board implemented 100% guaranteed indexing and removed the ad hoc payments.

However, it was found that the indexing pension method, used by OMERS, was a more volatile method than the Canada Pension Plan's method of providing 100% indexing to the CPI.

So, in 2008 OMERS adopted the CPP indexing method, but the increases did not mirror the CPP increases because OMERS did their calculations differently.

Recommendations:

1. The PPAO continue to pursue the issue of indexing in an attempt to convince OMERS that the OMERS' plan shall mirror or be identical to the CPP indexing on annual basis.
2. If necessary, the PPAO pursue the indexing issue with FSCO (Financial Services Commission of Ontario) after all attempts have been made to resolve this matter with OMERS.
3. The PPAO report to the member Associations on any new developments throughout the process and report to the members prior to any formal legal action being taken.

Financial Information Update (Paul Bailey)

The PPAO reviews other financial information that our membership may find interesting or necessary, this includes online banking and mutual fund information.

Interest

The top interest rate online savings accounts* as of Oct 6-11

Ally High Interest Savings Acct	– 2%
CTC Financial	- 2%
Manulife Advantage Account	- 1.75%
ING Direct Investment Savings	- 1.5%
PC financial Interest Plus	- 1.5%
RBC High Interest eSavings	- 1.2%

*Note: Some accounts have hidden charges for cheque fees, in branch withdrawals, transfers, agent assisted services

Mutual Funds Update

The federal government has been challenging the credit card industry and forced some changes in how they charge interest on unpaid balances. Now they're looking at the fees Mutual Funds have been charging customers.

This action has been prompted by the "FAIR" (The Canadian Foundation for the Advancement of Investor Rights). PPAO members seeking additional information on investing in mutual funds, how they work, what the fees are and what questions need to be answered, will find this information at their website faircanada.ca

AVIVA Insurance (David KURT-broker and Patricia Milburn – Regional Claims Relationship Manager)

Ms Milburn gave a presentation on how to reduce Home and Auto Insurance claims through preventative maintenance

One particular item that came up concerned the issue of leaving your home for 4 or more

days during the **winter** season. According to the presenter, to prevent a denial of a water damage claim, you must turn off the main water valve in your resident or have someone check your house each day.

Auto Insurance Technology

Canadian insurance companies are now using new information technology to capture data from drivers in motor vehicle collisions. This technology, developed by CGI (a large Canadian Information Technology Company), will enhance insurance carrier databases so they can capture a more reflective picture of repair histories that have been reported to and paid by competitors and reflect this new information in increased premiums. It is estimated that this new technology will net the insurance industry \$300 million more in profits.

Recommendation: The PPAO will monitor this new insurance technology to insure our membership is properly educated on the risks associated to vehicle insurance and proper accident reporting.

NURSE NEXT DOOR (Joy Bastiste, Executive Director)

Presentation of a Home Healthcare Service – Gives temporary, round-the- clock support 24 hrs a day, 7 days a week, including weekends. For more information see their website nursenextdoor.com

Some health plans cover this specialized service. Cost \$20 to \$26 per hr. depending on service required.

WILLS, ESTATES, PLANNING and POWER of ATTORNEY

Presented by lawyer Katheleen Jukes, who gave an informative presentation on these topics

OMERS UPDATE (Paul Bailey)

Active Member Rate Increases Jan. 1-12

Normal retirement Age 65 - .9% increase to 8.3% contribution
1.1% (over CPP earning limit) to 12.8%

Normal Retirement Age 60 - .5% increase to 9.4% contribution
decrease .2% to 13.9% (over CPP earning limit)

The 2011 rate increase was 1% across the board, but in 2012 some groups will be paying more or less than the 1%. In 2013 the average increase for both sides will average .9%

Not all OMERS stakeholders were happy with the different contribution rate increases and some complained about the retiree vote on the SC (Sponsors Corporation) because the retiree vote was in favour of adopting this rate increase formula.

PRPP (POOLED REGISTERED PENSION PLAN)

The PRPP is designed to deal with those workers/employers in the private sector without pension plans. OMERS has lobbied the federal government to allow more players to administer the new PRPP's.

OMERS believes they can manage the plans more effectively than banks and insurance companies. There is no decision yet who will administer these funding plans.

HOME CARE FOR SENIORS (Phil Slack)

info Update: Approx. 40,000 Ontario seniors live in some 700 retirement homes around the province. If retirement home residents with significant medical needs cannot find a spot in one of the province's 77,000 nursing home beds, they will have to pay for extra care. At the end 2010, 24,000 people were on a waiting list for a nursing home bed.

It appears the provincial government is moving quietly away from some senior funding issues and placing more and more demands on non-profit organizations to provide seniors with support. This in turn costs seniors additional monies and likely doesn't provide them with the same care standard as given by the government system. It is interesting to note, of the \$43.5 billion in health-care spending in 2010, only 1% or 540 million was spent on community support groups.

The government, recently launched its "Aging at Home Strategy" that vowed to transform community health-care services "so seniors can live healthy, independent lives at home." But the funding was redirected to another plan called Emergency Room/Alternative Level Care to reduce wait times and rid patients, referred to as Alternative Level Care patients.

Recommendation:

PPAO conducts further investigations into the Aging at Home Program to ensure seniors are in fact getting the necessary care they are entitled to receive and take the necessary steps to bring this issue to the attention of government representatives, if the findings warrant it.

PPAO Elections

Paul Bailey re-elected to President

Rick Metcalf re-elected to Secretary

Phill Slack and Jim Garchinski re-elected to Board of Directors

Next PPAO Conference to be hosted by York Regional Police Retirees Association on May 23, 2012 at the Best Western Voyageur Place Hotel, 17565 Yonge Street, Newmarket.

Report submitted:

Bob Hansen

PPAN Treasurer

November 9, 2011