

TEAM Benefits & Pension Report

Bob Linsdell
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Health and Insurance Plans

- **JBC Meetings:** Since the last report the committee has met twice, April 17th and September 14th. The main topic of discussion has been the Blue Cross Plan. TEAM representatives Darlene Buan and Bob Linsdell attended. Due to availability of committee members the next meeting will likely be in December or January 2013.
- **Blue Cross Health Plan**

The JBC is considering changes to the plan's design. If implemented, these changes will make it easier to effect benefit improvements, changes and reopeners. It is hoped that the redesigned plan will be in place early 2013, at which time the JBC will be in a position to consider new plan features.

As a result of favourable experience with the Blue Cross plan i.e. more money coming in than going out, effective November 2nd the premiums for the Extended Health Plan will decrease by 5%. Single coverage will be \$24.10/month and Family coverage \$65.80/month.
- **Dental Plan**

Reminder: In 2012 the annual per person maximum for routine/major treatment was increased from \$1,250 to \$1,500. The increase was funded from a plan surplus, no premium increase was required.
- **Group Life, Dependent Life and Basic/Voluntary Accident Insurance**

Effective July 15, 2012, Retail Sales Tax (RST) of 7% now applies to these insurance plans.

Because the Basic Accident Insurance Plan is 100% funded by the Company, starting with the 2013 tax year, the premiums and RST paid by the Company for this coverage will be reported as a taxable benefit on our T4's.

Pension Plans

- Pension Representative, Bob Linsdell and Alternate Pension Representative, William Kempan attended a three day pension seminar: Essential Skills for Pension Committee Members. The seminar highlighted the risks to the Company of poorly trained committee members and poor communication to plan members of both DB and DC plans. Also covered was the fiduciary duty of committee members to the Plan and Plan members. Travel, accommodation and the majority of the seminar fees were paid by TEAM.
- TEAM is considering having two Pension Representatives; one for the DB Plan and one for the DC Plan. This enables succession planning and a backup representative.

MTS DB Pension Plan

• Pension Committee Meeting

- The committee met June 6th, 2012. Bob Linsdell, TEAM Pension Representative attended. Draft minutes were distributed October 13th.
- The Funding and Adjustment Account actuarial valuations as at January 1, 2012 were reviewed.
- The 2011 plan performance was reviewed. Low bond yields resulted in a significant unfunded solvency deficit. If bond yields do not improve, the Company will not be allowed to purchase further letters of credit to cover the deficit. Should this happen, the Company will have to begin making special payments.
- Part-time and casual part-time employees hired prior to January 1, 2010 are still able to become DB plan members when their earnings meet certain criteria in relation to the YMPE.
- The Annual Report sent out to plan members details how much has been contributed to the plan by employees and the Company. However, it was noted that the initial employee surplus (the subject of the lawsuit) is not included in the employees' contribution to the plan. This seems a little unfair as it was a real additional amount contributed by the plan members. The Company explained that the figures used in the Annual Report are since plan inception.
- Harry Restall, a long-time advocate for the retirees, announced that he had decided not to stand for re-election. In the subsequent election for the position of Retiree Pension Representative, Larry Trach, former TEAM Business Manager, ran and won the position with a good majority.
- The next committee meeting is scheduled for December 7th, 2012. I have asked for the following items to be added to the agenda:
 - Indemnity and Fiduciary Liability Insurance for Committee members.
 - Company's obligation to train Pension Committee members.
 - CAPSA DB Plan Guidelines.
 - Increased funding for Committee member training.
- Click [here](#) to visit the DB Pension Plan website.

• Pension Surplus Lawsuit (1998)

- A brief history of the lawsuit and some commentary on the reasons we lost at the Court of Appeal is contained in the [Pension Representative report](#).
- In a [news release](#) on Thursday, October 25th, the Supreme Court of Canada announced that the unions' and retirees' application for leave to appeal had been granted. Legal counsel advised that a hearing before the Supreme Court of Canada may not take place until the Fall of 2013, with a decision being rendered in the Summer of 2014.
- Our leave application raises issues beyond the recovery of plan member money: The application is available on our [website](#).
- The Supreme Court's decision garnered the interest of the media; print, TV and radio: [Winnipeg Free Press](#), [Winnipeg Metro](#), [Brandon Sun](#), [CBC TV \(at 6:13\)](#), [RDI](#).

- **Pension Formula Lawsuit (2011)**

- The issue is whether the formula used in calculating pension payments is in compliance with the plan text and pension law principles in general. An explanation of the issue can be found in the [Pension Rep report](#).
- This case is ongoing.

MTS DC Pension Plan

- **Pension Committee Meeting**

- The committee met June 6th, 2012. Bob Linsdell, TEAM Pension Representative attended. Draft minutes were distributed October 13th.
- Plan investment performance and plan membership statistics were reviewed.
- As of May there were 483 employees in the DC plan.
- Approximately one quarter of our members contribute less than the Company's match rate – they are effectively losing out on 'free money'. Almost half of TEAM members in the plan contribute more than the match rate.
- The online Great-West Life pension assessment/projection tool defaults to 5% return, but plan members can set it at any value up to 20%. At the end of the year GWL sends plan members a projection based on what they entered, and the probability of achieving their goals. It was stated that employees must be realistic with their goals and should contribute to at least the level of the Company's match rate.
- The next committee meeting is scheduled for December 7th, 2012. I have asked for the following items to be added to the agenda:
 - Indemnity and Fiduciary Liability Insurance for Committee members.
 - Company's obligation to train pension Committee members.
 - CAPSA DC Plan Guidelines.
 - Increased funding for Committee member training.
 - Detailed retirement pension income estimates for plan members using the following employee parameters:
 - Age: 25 and 30
 - Gender: Male and Female
 - Retirement Age: 55, 60, and 65 or 67,
 - Earnings: \$30,000, \$40,000, \$60,000, and \$80,000.
 - Contribution Level: Maximum matched by Company.
