



Spring Newsletter #39

April 19th 2007

Item #1 Plan Now to Attend the Annual General Meeting

The Annual General Meeting is scheduled as follows:

Date: Thursday May 17th 2007

Time: Reunion: 12:00 to 1:00 PM

Meeting: 1:00 to 3:00 PM

Location: Pavilion Royale, 5165 Dixie Road Mississauga Ontario

Agenda: The President's Message.....Pam Went
PIC & Pension Committee ActivitiesJim Murray
Treasurer's Report.....Corporate and Chapter

Keynote Speaker: We are pleased to announce that we have arranged to have a guest speaker from the Ontario Securities Commission (OSC): which regulates the capital markets in Ontario and provides protection to investors from unfair, improper and fraudulent practices? The speaker's presentation will explain common types of investment scams, red flags and steps investors can take to reduce their chances of becoming victims of investment fraud. It also will explain the four key things you should always check into before making an investment:

Item #2 Membership & Fees

As of April 1 2007, our Chapter has 3452 members. Also as of April 1, over 89 % of the membership of BPG's Toronto Chapter has paid their 2007 annual membership fees. BPG has only one objective and it is to represent and protect your interests with Bell and the government. Some potential members have asked the question "What's in it for me - why should I give you my \$20.00?" The answer to this is simple. There is strength in numbers. People will only take us seriously as an organization if we represent a significant proportion of pensioners. Our short term goal is to sign up at least 1/3 of Bell Pensioners and right now we are short of this goal by approximately 800 members across all chapters. We can only be successful if we have your continued support. Please help us with our recruiting efforts by convincing at least one of your colleagues to join BPG.

We seem to have lost track of the following members: 21154 Elsie Acheson, Toronto, Anna Colavecchia Toronto, Janet Hamilton Stouffville, Donald Miller Peterborough, Mildred Morrison St. Catherines, Dorothy Nyman, Rajandaye Seeraj Scarborough. If anyone knows how we can contact any these folks, please let us know. Thanks

We have some members who retired from departments or affiliated Bell companies and who have had their pensions and benefits transferred out of the Bell Canada plans. These folks

will always be recognized as valued members of BPG but need to understand that we have no expertise regarding the specific details of non-Bell pension and benefit plans nor are we able to access non-Bell company contacts. The mandate of BPG, as defined in the bylaws, states that we will endeavor to support those members who have Bell pensions and other Bell post-retirement benefits. That said, it is worthwhile noting that every BPG member will benefit from the actions taken by BPG in advocating for improved defined benefit pension plan legislation and regulations in order to improve the financial security of all pension plans.

Item #3 Bell to eliminate post-retirement benefits by 2017

Changes do not affect existing pensioners

Bell has announced it will gradually phase in changes to company-paid post-retirement benefits -- medical, dental, vision and insurance coverage -- over the next 10 years.

In a letter to employees on March 27th, Michael Sabia described the move to eventually eliminate these benefits as a measure to “stay competitive on every front” against companies like Videotron, Rogers and Telus, who offer employees limited or no post-retirement benefits.

Benefits will be phased out as follows (certain eligibility criteria apply) :

Employees who retire before January 1, 2012	Not affected by the new rules: still eligible for company-paid benefits at retirement (medical, vision, dental, \$10K life insurance)
Employees who retire between January 1, 2012 and December 31, 2016	Eligible for company-paid medical coverage until the age 65, excluding vision, dental and life insurance
Employees who retire on or after January 1, 2017	NOT eligible for company-paid benefits

The changes do not apply to existing pensioners.

One subject we hear a lot from our membership about is the dental coverage for those of us who retired prior to July 2000. We all agree that the 1988 dental scale is badly out of date and that we would like to see coverage improved. Many have pointed out that dental coverage for those of us who retired after July 2000 is vastly superior in that the applied dental scale is only two years old. However in making that comparison one also needs to look at some trade-offs in the post July 2000 world where the coverage is not as good. For example did you know that people who retired after July 2000 and chose “Plan “B (the most complete coverage available) must pay a monthly premium for coverage, which is subject to increases each year (17% last year). They do not receive the transition benefit. There is a cap of \$135 on semi-private hospital room coverage. The percentages covered are 80% and 50% where coverage on the pre-July 2000 plan is 60% and 90%. We have suggested to Bell that the dental fee schedule currently in force will be 20 years old as of next year and we would appreciate if they would consider an upgrade. Given what is happening in the medical coverage area with not only Bell but many other large corporations, I think we need to count ourselves lucky for the coverage we do have.

You should also know that BPG is firmly dedicated to preserving our existing benefits and it is one of our key objectives.

Item #4 New Owners for BCE?

As you know, there have been various articles in the media recently about a possible takeover of BCE. We are monitoring this situation closely and will keep you posted on our position and plans should something concrete materialize in this area. However, with all the rumors, the denials, the speculations by arm-chair financial analysts, etc., are bits and pieces of likely more than one game being played and we should try not to get too wrapped-up in any of it at this point in time.

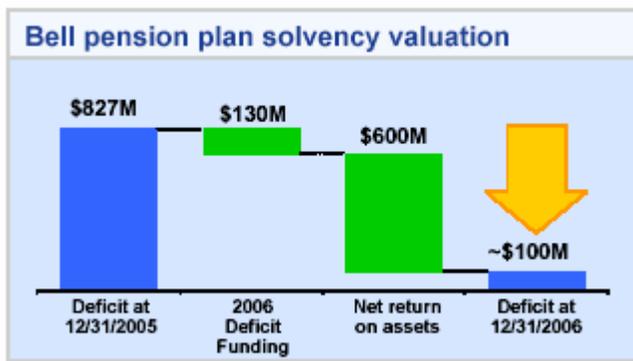
As always, BPG remains committed to preserving our pensions and benefits and will take appropriate action should we feel any threat arises

Item #5 "Pension Pressure Abating"

This was the message from BCE to the financial and investor communities at its Business Review – 2007 conference on December 12, 2006.

The Chief Financial Officer of BCE, in reviewing the Bell Canada pension plan status during the conference, stated it expects the solvency deficiency to be approximately \$100 million as of December 31, 2006. By comparison, the company had stated on February 1, 2006 that the solvency deficiency as of the end of 2005 was estimated to be \$1 billion. Once the formal actuarial review was completed, the solvency deficiency for the end of 2005 was subsequently revised downwards to \$827 million.

According to BCE, this improvement is essentially a result of the better 2006 asset returns (\$600 million) and BCE's special funding contribution to the plan (\$130 million), as shown on the graph. A new actuarial review was performed as of December 31, 2006 which will determine the accuracy of the estimated \$100 million solvency deficiency as of that date.



Source: BCE

It is also to be noted that the same presentation on the status of the pension plan indicates that "Bell pension and post-employment benefit funding" will be reduced from approximately \$440 million in 2006 to an estimated \$300 million in 2007. This reduction is based on new funding rules and improved solvency valuation.

BPG comment: The new funding rules mentioned in BCE's presentation pertain to the recently approved temporary funding regulations put in place by the federal government. These regulations provide Bell with a one-time opportunity to take ten years instead of five years to eliminate a solvency deficiency. BPG will be monitoring this possibility very carefully.

That said it is encouraging and comforting to see that the solvency deficiency has been reduced so significantly during 2006. The company has until the end of June 2007 to file its

annual pension statements for the end of 2006 plus a new actuarial review report with the regulator.

Item #6 BPG Writes to Minister Flaherty

On December 15th 2006, as part of the Advantage Canada Consultation, the Bell Pensioners' Group sent a letter to the Finance Minister, the Honourable Jim Flaherty, to provide him with its views on Canada's pension system. The purpose of this consultation, whose theme is "Building a Strong Economy for Canada", is to obtain the opinion of Canadians on the key issues at stake for the country and on the direction the federal government should take on the economic front.

BPG agrees that our country can and should assume a leadership role in the fast-changing global economy. A key strategy towards achieving this goal will be to leverage the power of a strong Canadian defined benefit pension system.

Specifically BPG urges the government to implement recommendation 14 presented by the Standing Committee on Finance in its report recently submitted to the House of Commons:

"The federal government, in consultation with the provincial/territorial governments and relevant stakeholders, undertake a comprehensive review of the Canadian retirement income system with a view to determining the adequacy of the system in meeting the retirement income needs of seniors. ... The review should be completed no later than 31 August 2007 and any legislative/regulatory amendments needed as a consequence of the review should be enacted no later than 31 December 2007."

The Bell Pensioners Group also supports the call to action put forward in December by the Governor of the Bank of Canada, Mr. David Dodge, to establish appropriate incentives for sponsors of defined benefit pension plans:

"There is a crucial need for a framework that provides the appropriate incentives for employers to establish and maintain pension plans, so that the vast pools of capital in these plans can make their maximum contribution to the efficiency of the Canadian economy...It is important to get these incentives right, so that DB (defined benefit) pension plans, which have a long-term investment perspective, can continue to grow."

However, BPG believes that companies that have sufficient reserves of free cash flow should NOT be allowed to avail themselves of the temporary pension plan funding regulations that eases the requirement to fully fund pension plans by extending the 5 year amortization period to 10 years. On the other hand, BPG is fully in favour of immediately addressing the issue of pension surplus ownership.

In conclusion, BPG's letter offers the opportunity of a meeting "to discuss our views on policies that could ensure the continued strong contribution of private pension plans towards meeting the government's objective of a strong economy, while at the same time providing sustainable financial support to retirees."

Item #7 New Tax Breaks for Eligible Pensioners and Seniors

Note: Much of the following information is also covered in the March '07 In Touch newsletter

Two years ago, BPG joined the ranks of the Common Front for Pension Splitting, a coalition made up of 23 associations from across Canada representing 2.6 million members. The coalition, which had been actively advocating on behalf of its members to give retirees the option of splitting pensions, recently received a positive response.

On October 31 2006, Canada's Finance Minister Jim Flaherty proposed, as part of the Governments' "Tax Fairness Plan", two significant tax breaks for eligible pensioners and seniors.

- 1) An increase in the Age Credit to \$5,066 retroactive to January 1, 2006 would raise the maximum federal tax relief available under the credit to almost \$800 per individual.

However, the maximum amount is available only to those seniors with net incomes of less than \$30,270 and the credit is fully phased out when net income reaches \$64,043.

- 2) Pension Income Splitting, starting in the 2007 tax year, would allow couples with eligible pension income to reduce their combined federal taxes by transferring income to the lower-earning spouse. An individual with eligible pension income would be allowed to transfer up to one-half of this income to a spouse or eligible common-law partner.

a) Eligible Income:

- Income in the form of a pension from a registered pension plan (such as the Bell Canada pension plan) regardless of the recipient's age.
- Income from a registered retirement savings plan (RRSP); a registered retirement income fund (RIFF); a LIF (locked-in RRIF); or a deferred profit sharing plan (DPSP) annuity, if the recipient is 65 years of age or older.

b) Ineligible Income includes:

Old age security (OAS); Guaranteed Income Supplement (GIS); Canada/Quebec Pension Plan; RRSP annuities, RRIFs, and DPSP annuities if recipient is under age 65; RRSP

Item #8 2007/2008 BPG Board

Outlined below is the Board approved slate for the 2007/2008 BPG Board.

The by-laws ensure that the Board has provincial representation based on our membership levels. Based on the membership as of Dec 31, 2006 59% of the Board should come from Ontario (8 Board members) and 41% from Quebec (6 Board members).

Listed below are candidates for the 2007/2008 Board in 3 categories; elected Board representatives who are prepared to continue for another term; Board representatives who have been appointed by the Board since the last election and who are prepared to continue on, and new Board nominees. Brief CV's have been included for all Board representatives that have not previously been elected by the members (appointed and new Board reps). Please show your support for these dedicated volunteers by a show of hands at the upcoming Annual Meetings.

ELECTED BOARD REPRESENTATIVES

ONTARIO

**Carol Ann Cole
Dave Fair (Ottawa Chair)
Jim McColl (Toronto Chair)
Pat Bossence (London Chair)**

QUEBEC

**Yvan Dutrisac (Montreal Chair)
Martial McGraw (Quebec Chair)**

APPOINTED BOARD REPRESENTATIVES

ONTARIO

**Ron Hunt
Pam Went**

QUEBEC

**Raymond Bertrand
Richard Vanslette**

NEW BOARD CANDIDATES

ONTARIO

**Linda Gervais
Gwen Guillet**

Andre Bergeron- Andre was a director at Bell and retired in 2002 with 27 years service. During his career, he held a variety of management positions in Marketing and Finance in Quebec and in several corporate groups. He also worked for Bell Canada International in Saudi Arabia. As a member of the Communications Committee since 2004, he has played a key role in improving BPG's communications with its membership. He is in charge of communications for BPG's Montreal Chapter and is the editor of their Chapter's quarterly newsletter. Since October 2006, he is the Interim Chairman of the Communications Committee.

Raymond Bertrand- Raymond retired in 1992 after 32 years of service. He worked in Ottawa, Toronto (BNR) and Montreal. For most of his career he occupied management positions in Network research and Operations. Raymond became active in BPG in 2004 as President of the Montreal Chapter. In July 2006 he became Vice-President of the Board of Directors of BPG and Chairman of the Pension Committee in January 2007. He is a dedicated member of BPG and has earned the respect of his peers. He is open minded and has a global view on things. His people skills have enabled him to establish good working relationships with our interveners in Bell and Government.

Linda Gervais – Linda retired from Bell in 2004 with 35 years service in the fields of marketing communications, advertising, promotion and media relations. Linda retired as VP Government Relations leading Bell's federal government relations department. Bell never lost a cabinet appeal by Bell's competitors during Linda's tenure. She was a member of the Board of Directors of the Governor General's Performing Arts Awards Foundation for 5 years and served a number of years on the board of Media Awareness Network. She has also been assisting BPG in the last year on our lobbying with the government on pension issues. Linda's communications expertise and people skills will be an asset to the board of BPG.

Gwen Guillet - Gwen retired from Bell in 1995 after 31 years service specializing in financial management positions in Montreal and Bell Ontario. Gwen was involved in forecasting, analyzing and explaining deviations to the Executive team at Bell. She helped the company navigate through the budget as a result of downsizing and major reorganizations. Post retirement Gwen has been the President & Treasurer of the Simcoe Condo Corp and the Secretary/Treasurer of the Huronia District Golf association of Ontario. Her list of volunteer assignments is lengthy and indicative of the energy and dedication she puts into anything she takes on.

Ron Hunt – Ron retired in 2002 with over 26 years of service at Bell and Stentor. His career in those organizations included facilities management, product management, network operations, quality management, interoperability testing and product development. Since retiring, Ron attained his Project Management Professional certification. He is now self-employed as a management consultant and continues to live and work in the Ottawa area. He currently serves on the Boards of Hike Ontario and the Rideau Trail Association. Ron joined BPG in January 2006 in the role of Secretary. The BPG Board values his excellent organizational skills and appreciates his help in facilitating the updating of the BPG Vision.

Daniel McDonald – Daniel retired from Bell in 2004 after 30 years of service. His experience varied from Network Operations, Maintenance, Traffic, Planning and IS/IT Director. He was also a member of the Service Assurance business transformation design team from 94 to 97. He received the President's award in 2004. Since Daniel retired he was

hired as a consultant by Bell Nordiq to lead a change management team. His background and skills in business and problem solving would be an asset to BPG.

Richard Vanslette – Richard retired from Bell in 2005 after 34 years of service. During his career he held numerous management positions in billing (CRB) and Financial management. Since 1995 Richard has worked as Vice-President Finance for different Bell business units i.e. Bell Quebec, Local Services, Network and his last assignment at bell was Vice-President Finance Enterprises. He joined BPG in the fall of 2005 and has been a Director at Large and a member of the Pension committee. He recently was elected by Bell retirees as the prime substitute on the Pension Information Committee (PIC). Richard's financial expertise and his role on PIC make him a very valuable addition to the BPG board.

Pam Went – Pam retired from Bell in 2003 after 31 years of service during which time she held management positions in several departments in both Ontario and Quebec, including Operator Service, Network services, Customer Service and Marketing. At the time of her retirement she was a Senior VP and Officer of the company. During her employment Pam served on several not for profit boards including Junior Achievement of Toronto and Kids Help Phone. She was also a member of the Board of Governors of Dawson College in Montreal. Pam joined the BPG Board of Directors in late 2004 when she was appointed Corporate Secretary. She is currently President of BPG.

Item #9 Are you Aware ???

Some of our members have informed us that when they changed address they were informed by Bell that they would also have to change their email address. This information is not correct and if this happens to you, you should ask to speak to a manager or, failing that, get in touch with BPG.

Item #10 Are You Aware ???

You have all received your valuable "Benefits at Retirement" statement earlier this year. In previous years (2002 -2004) in the Benefits Upon Death section there was a key sentence – **the spousal pension is also indexed annually.** In subsequent issues, this statement is missing. This has been identified to Bell and next year's statement will clarify the above to let retirees know that his/her spouse is be entitled to the indexation of the survivor pension after the retiree dies. There is no change in the plan on the indexation (same provisions as the one in effect in 2002 are still applicable).

We wish to thank those members who pointed out this change in the wording.

Item #11 Are You Aware ???

A few years ago, Bell sent out Gold and Platinum privilege cards. These were given to all digital bundle subscribers (gold for 2 services; Platinum for 3). If you received one of these cards, you may be interested to know that the following benefits still apply: Free roadside assistance (for 2 months) for mobility subscribers; 10% off on PPV regular movies Also when you call customer service (on a special number), you will still end up talking to Emily, but will have been placed in a high speed queue and will receive priority service.

The customer service number in order to get into the priority queue is: 1-866-905-2355. I tried it and I did seem to get through rather quickly.

Item #12 Are You Aware ???

Bell has dropped the \$4.50 network charge & the \$.19 charge for 911 from the list of services eligible for EDP credit.

Item #13 Are You Aware ???

BPG members will now find on our web site the list of preferred hotels as posted on Bell Canada's intranet site. Based on the information provided by Bell, most Canadian hotels do extend the Bell rates to employees and retirees for personal use.

Reduced rates on cars and trucks with Bell's primary supplier, Budget Rent a Car of Canada, are also posted on our site at: <http://www.bellpensionersgroup.ca>

Item #14 Are You Aware ???

Planning on leaving the Country? You might want to check out the Financial Services Commission for Ontario Web page on shopping for Travel Insurance at:

http://www.fsco.gov.on.ca/english/pubs/consumerbrochures/shopping_for_travel.asp

You may also find this information under Travel Insurance on the Toronto Chapter web site.