

Bulletin No. 8 was issued to all members on December 12, 1997

President's Message: 1997 Retrospective

As we approach the 1997 year end I thought a look back at the key activities and events of the past year would be a worthwhile exercise. We have many new members who have not been with us through the trials and tribulations of the Confederation Life Liquidation and the Bell Canada Enhancement Agreement, so a review will be useful for them and also serve as a refresher for all of the ongoing members.

Membership:

Our BPG membership continues to grow; from our humble start with 1100 members to in excess of 2500 members at year end 1997. My congratulations to the chapter chairpersons and their committees for the excellent work in recruiting new members. The chapter updates included in this Bulletin will give you the details for each chapter. As we have stated in the past-a strong membership body will greatly enhance BPG's position in dealing with Bell or Governments on BPG member's concerns. Please continue to pass the word to your fellow pensioners who are not members, recruiting is a job for all BPG members not just the chapter executives.

Liquidation and Payouts:

The liquidation of the Confederation Life Estate continues to produce encouraging results. A short review of events, commencing with the Sept. 20,1996 court approval, details the progress:

Oct. 31/96 Payout from estate(at 70%) plus Bell Enhancement payment commences,

Nov. 30/96 Interim payment percentage increased to 80%.

Dec. 31/96 Retroactive adjustment for increase in payout percentage(70%-80% for Oct. 96).

Mar. 31/97 Interim payment percentage increased to 85%. Retroactive adjustment for increase in payout percentage back to Oct. 96(80% - 85%).

Aug. 1/97 Court approves Surrender option.

What does this option mean?

It means that a member with a book value of \$60,000 or less - can take out 100% of his funds from Confed. Life. This can be done immediately or at a timing suitable to the member. The funds would be 85% from estate + 15% from Comp Corp.

\$60,000 or more - can take out 85%(this is the current payment percentage)of his funds immediately. The balance remains in the estate until there is an increase in the payout percentage.

In both cases there is no time limit to the offer, so there is no rush to make a decision. Careful consideration of the interest rates being paid by your Confederation Life plan vs current market rates should be made before any decision is made. We very much recommend you consult a Financial Adviser before making a decision to exercise the surrender option. Our information from KPMG is that todate the number of members exercising the surrender option is quite low.

Aug. 12/97 Confederation Life Bulletin continues to express that a final realization percentage in the high end of the 89%-99% range is possible.

Oct. 22/97 At the Toronto/London Chapter's meeting Ted Bossence (KPMG Liquidator Rep) again expressed an optimistic view that the high end of the 89%-99% range is still an achievable target. A good economic environment and a positive Real Estate market have been very beneficial. Some of the other items that Ted clarified at the Toronto/London meeting were:

- The surrender option is at the lower of book or market value (currently book is lower than market due to the higher interest rates on the existing Confederation Life plan).
- The Bell Enhancement payment will still be made monthly through Confederation Life even if you take the surrender option.
- Ted confirmed that the balance being held in the overlimit account (the 15% over the payout %) is still earning 4% interest.
- Ted also cautioned that funds held in the Matured Unpaid Account only earn 1% interest. If you have not given payment directions to Confederation Life (KPMG) do so, ASAP.

Dialogue with Bell Canada:

In order for BPG to have any success in acting as a voice for all Bell Canada Pensioners (on issues relating to Bell Benefits) it was imperative that an

ongoing dialogue with Bell Canada be established.

I believe we have opened the door to this ongoing dialogue through a couple of significant meetings held with Bell during the last few months. In Sept. 97 I met with Harold Giles (Group Vice President Human Resources) on an informal basis, to discuss the BPG organization and to suggest the setting up of an ongoing process to meet formally with Bell. This meeting was quite positive and Giles was receptive to meeting with BPG on a more formal basis.

Our first formal meeting with Bell was held on Nov. 17, 1997. Representing the BPG Board were Don Beauchamp, Carol Reid and Jean Marc Hébert, Bell attendees were Harold Giles, Brenda Brown and Denis Coderre. This first meeting gave us the chance to identify to Bell many of the concerns of our members such as; Dental Plan rate schedule, the Pensioner's hot line, \$50,000 limit on CME, Communications with Pensioners, etc. Bell took this opportunity to review with us their current Industry study (Hewitt Index) of Postretirement Benefits of the 40 companies that we are compared against. We will invite Bell to attend our Annual meetings to present their views on benefits and to answer questions from our members.

Bell also reviewed with us their plans for significant improvements in the Benefits hot line that has been a major problem. We should see the introduction of their call centre some time in the first quarter of 98.

I believe this first meeting was positive and has shown Bell's willingness to meet with BPG and discuss our issues/concerns. There is no guarantee on how successful we might be in our discussions, however, we are in dialogue, and as BPG grows this will enhance our capability. As we have said in the past "The More Constituents The Louder The Voice". Our next meeting with Bell will be in the spring after our Annual meetings.

Vehicle Usage in USA /Personal Insurance Co.:

Effective with the July 97 renewal, the premium for extended vehicle usage in the USA has been eliminated by the Personal Insurance Company. I believe BPG (both Board and individual members) made a significant contribution in achieving this outcome.

Legal Costs:

BPG, as per our agreement, was successful in recovering the majority of our legal costs from Bell. This allowed us to rebate the 0.2% legal fee to the members who paid into this fund.

BPG General:

The past year has been a busy one for your BPG Board. We had 8 Board meetings (7 conference calls and one face to face meeting in Belleville), 5 Annual Meetings, 3 Fall Meetings, issued 2 News Bulletins, had our first official audit, filed our first income tax return, produced our monthly financial statements, Seniors' Benefit Action Group and interface with Pioneers on travel insurance. In addition to this activity there was the all the activity at the chapter level- membership drives, book keeping duties, bulletins, setting up meetings, etc.

A lot of people working on your behalf.

Don Beauchamp, President BPG

Out of Province Travel Insurance Up-Date:

By this time most BCE pensioners who have purchased travel insurance in the past under terms negotiated by the Bell Pioneer organization, will have received renewal applications from ETFS, the authorized source. Pioneers may also have received renewal applications from C.A.M. Inc. An agency that was once used by ETFS to market the travel insurance under the pioneer logo. This business association of ETFS and C.A.M. Inc. was terminated 1 July 1997. An even earlier arrangement involving Desjardins Assurance is also not active at present. The foregoing history and information to follow is BPG's understanding of details obtained through ongoing contacts we have had with informed pioneer organization sources.

Based on the most recent contacts we understand that Bell Canada policies (benefits) group will no longer participate actively in travel insurance matters, leaving the pioneer organization in future to negotiate and determine suppliers as they see fit. All these events have naturally caused some confusion for pensioners seeking travel insurance and the pioneer organization has reacted. They have set up a formal committee comprising life members from both provinces to negotiate, authorize and oversee future travel insurance contracts for their members, in addition, they have identified the following persons as contacts for pioneers who are having serious difficulty resolving problems with an authorized carrier. They ask that care be taken not to use these people unnecessarily.

Quebec: Betty Leduc, (514) 453-6413 or in Florida (954) 421-5930 Fax (954) 415-8735

Ontario: Ron Knisley, (905) 845-4545 Fax -(905) 845-9458

The Pioneer organization will be advising their members fully in the near future on the authorized travel insurance plans. In the meantime they and BPG offer the following tips regardless of what source is used for travel insurance

- Answer all questions on applications with scrupulous attention to accuracy.
- Be very clear on any deductibles and/or whether the insurer is 2nd payee after provincial coverage

(i.e. is the lifetime Bell benefit protected as much as possible); also how claims are submitted and paid among the parties involved.

- If cruising, verify that coverage is worldwide versus USA only.
- Significant differences in total premiums (after any discounts) have been noted between insurers, use their 800 telephone service if you are not clear on any aspect of their policies.

The Seniors' Benefit - Pending Federal Legislation:

The Federal Government intends to make substantial changes to the current Old Age Security (OAS) pension arrangements, replacing OAS with the "Seniors' Benefit" (SB). In many cases, this will result in substantially lower benefits to Bell pensioners. The Government has proposed "grandfathering" whereby those 60 or older by the end of 1995 could choose OAS or SB. Those who have not reached 60 by this date would receive the SB, with no option of the OAS. This would result in a loss of up to \$4,800/year or possibly \$9600/year for pensioner plus spouse.

Many recent Bell pensioners chose a Bell Canada "integrated pension" option, with a higher Bell pension payment up to age 65, which drops down when the government pension (both OAS and Canada Pension Plan - CPP/ Quebec Pension Plan-QPP) payments start, so as to provide a "level" pension payment. The government proposal would dramatically reduce the government pension payment, under the SB. For those affected, their total pension income would drop markedly when they reach age 65. The number of Bell pensioners affected is about 5500.

BPG considers this proposal very unfair, and considers that the "grandfathering" optional arrangement should be made available to all who are on pension regardless of age. Bell agrees with and supports this view, and has agreed to jointly approach the Department of Finance.

BPG and Bell representatives met with the Department of Finance on December 8th, 1997. The Bell representatives were Linda Gervais, Vice President - Federal Government Relations, and Bill Pristanski, of her shop, well briefed by Bell Human Resources. The BPG reps were David Barr, Ottawa Chapter Chair, and Jim MacKay, Chair of BPG's "Seniors Benefit Ad Hoc Group". The meeting was billed as half an hour, with Keith Horner, Senior Chief. In fact, Keith's boss, Louis Levesque, Director - Personal Income Tax Division also attended and was quite active at the meeting, along with two junior officers. The meeting actually lasted an hour.

I believe the Bell - BPG message was clearly received and understood. We were assured it had been heard before. The Federal Government is right now rethinking and somewhat undecided on how best to carry out the OAS reform that is needed and will happen. This is a joint responsibility of Finance, and Human Resources Development Canada (HRDC, Minister - Pierre Pettigrew). It appears that our timing was good and our story was appropriate.

We should expect to see the Government's revised proposed arrangements in January or March - before or after the budget. These will strive to accommodate the very many input comments that have been received. On balance, on the Bell - BPG "fairness" issue, expect the degree of impact to be reduced, but don't expect all impact to disappear.

Noting the current Finance dialogue with HRDC, we plan that the same four representatives will meet with HRDC, and put our views forward there also. Bill P. will identify the right individual, and will make arrangements, possibly before Christmas, more likely in early January.

"There will be further developments - watch this space."

Ottawa Chapter Report:

The year 1997 has been a good one for the Ottawa Chapter of BPG. The membership for the year totalled 424. This was helped by a membership drive with the assistance of the Telephone Pioneers, which brought in about a hundred new members. At our fall meeting in October, a total of 94 memberships for 1998 were collected. The Chapter has recently sent out promotional letters to 142 new Bell pensioners, based on information in "Bell News". The Chapter's finances are in good shape, with revenue above budget and expenses below budget.

The BPG Ottawa Chapter Annual General Meeting was held on May 7th. Outgoing Chapter Chairman Bob McLachlan highlighted the changing mandate, direction and focus of BPG. Now that BPG's original primary purpose the Confederation Life issue is stable and appears to be unfolding in an orderly way. BPG's interests have broadened out. As well as continuing to monitor the Bell Enhancement Agreement re. Confederation Life, BPG has widened its scope to address Bell related issues which involve Bell Pensioners' rights and privileges and Bell's service to Pensioners, and to work in cooperation with other organizations concerning government policies which affect Pensioners and seniors.

The Chapter's fall meeting was held on October 22nd. The highlight of this meeting was "The RRIF Panel". Three members of the Chapter Executive are RRIFing this year. They formed a panel and each of them shared with the meeting their own "RRIF processes and plans" - and how and why they reached the conclusions and decisions that they did. The RRIF Panel then answered (and sometimes debated) questions from the floor. As we all know, RRIFing is a "hot topic" this year since changed federal government legislation requires those born in 1926, 1927 and 1928 to RRIF by the end of the year or face substantial tax liability.

The Ottawa Chapter Executive include several new faces. David Barr has come in as Chairman, Bill Barr as Out-of town Membership Chairman and Dirk Paul as Secretary. Carl Strahlendorf continues as Membership Chairman and Bud Genn as Treasurer. Claire Collis continues as Corporate Treasurer and a BPG Director. We bid a grateful "au revoir" to Bob McLachlan, Past Chapter Chairman and a major player in the "Confederation Life solution", more recently very involved re. the Senior's Benefit, as he leaves the BPG Board and the Ottawa Chapter Executive at the end of the year.

Toronto Chapter Report:

The Toronto Chapter met twice in 1997. Our first meeting took place at the Royal Canadian Legion, on Irwin Ave., in Toronto. Our agenda mainly dealt with business matters relating to the election of officers, appointment of auditors and approval of the financial statements. Some time was also allotted to questions and answers, and our president Don Beauchamp was introduced to members.

On Oct. 22, another Chapter meeting was held at Pavillion Royale, on Dixie Rd., in Mississauga. Ted Bossence Vice president, KPMG, explained the surrender option to members who have funds on deposit at Confederation Life, as well as the member statement. His presentation was followed by a speech from Douglas I. Porter, a senior economist with Nesbitt Burns, who discussed current economic & financial trends. He emphasized the need for understanding your own financial options and astute financial planning. Ian Lovatt, an investment advisor from Nesbitt Burns, then talked about the pros and con's of the surrender option from KPMG. This discussion was followed by Ian Leith, Vice President and Portfolio Manager from Nesbitt Burns who talked about RRSP maturity options.

Advisory Council members have been busy recruiting new members. We have doubled the membership from 300 in the spring to 600 by the end of November. Our plans are to continue this recruitment into 1998.

London Chapter Report:

Like other chapters, we have been actively recruiting new members during 1997. Our 1996 membership was 109. We have grown to 216 members in 1997. This is great because there is strength in numbers and it gives the BPG better recognition when talking pensioner benefits and concerns with Bell. Since we want to continue to grow, my challenge to each of you is to find and sign up a new member in 1998.

During 1997 the London chapter and the BPG had three main objectives. These were:

1. Monitor the five year Bell Enhancement Agreement.
2. Focus on Bell related issues affecting pensioners' current rights.
3. Work with other organizations concerning government policies affecting pensioners.

Our president's message highlights activities in each of these areas during 1997 but there is still more to be done in 1998. The 1998 focus will continue to be in these three areas with the challenge being to move further in each area.

To keep the London Chapter Members informed of the BPG activities we held two meetings, one locally in London. The other was a shared meeting with Toronto held in Toronto. As well, we had four mailouts (two bulletins and two updates with meeting notices).

This brings me to the money end of things. The London chapter and the overall BPG is a volunteer organization. No one gets paid except for out of pocket expenses (phone, travel, reproduction, mail, etc.). The London chapter and the overall BPG are in a good financial position but can only stay this way with your continued support.

Montreal Chapter Report:

Our fall membership meeting was held on 29 October in downtown Montreal. Approximately 200 members attended.

Don Beauchamp, president of the BPG board of directors, joined us and he conveyed to us the message that Ted Bossence of KPMG gave at the Toronto meeting the previous week. Ms. N. Hotte, B.B.A., D. Fisc., Fin. Plan., our guest speaker covered the subject of converting RRSP to RRIF or pension in some detail. We had to cut the presentation short because of time constraints. This is the first time that coverage of our agenda topics in both languages has caused this kind of a problem.

Ms. Betty Leduc, BPG member and active Pioneer talked about the travel insurance available to Telephone Pioneers, the change of insurance broker and plans for coverage in the future. Andre Legault updated us on the planned joint Bell-BPG representation to the federal government on the subject of proposed legislative changes to the Old Age Security of Revenue Pensions. We did not cover the full proposed agenda as the meeting was adjourned due to a lack of time. Our membership continues to grow and we are now 725 paid up members in the Montreal chapter

Quebec Chapter Report:

The Quebec City chapter is alive and well, the membership is growing and many have come forward to offer their services in order to spread the workload.

Our last meeting was held in May and we issued a local Bulletin on October 17th. This Bulletin contained not only the chapter president's message but some articles written by five other members which showed their journalistic talents. On November 5th, in collaboration with The Pioneers Group we sent a notice to all pensioners in the Quebec City Region informing them of the activities of our group, along with an invitation to join with their fellow retirees in order to insure that all the Bell pensioners are well represented.

The Bell pensioners we contacted are happy to be able to count on BPG in order to represent and defend their interests. Their support was demonstrated by the fact that our membership has gone from 57 members at the end of 1996 to over 600 members at this time (November 1997) and despite the postal strike we have already received 460 paid memberships for 1998.

Another subject of satisfaction and pride is the good relations between our chapter and the local Telephone Pioneers. Together we are at the service of all Bell Pensioners, together, each in our own field, represent them and together we will strive to insure that they are treated with dignity, with justice and respect. The training we received at Bell equipped us well and in retirement we can apply what we learned in order to succeed.

Direct Deposit of Pension Cheques:

It takes an event like the recent mail strike to make one appreciate the advantages of direct deposit of your pension cheque to your financial institution. When we were meeting with Bell they advised us that there are still about 1500 pensioners who do not take advantage of this service. If you are one of them give some thought to direct deposit. In situations like the recent strike, or sickness, or travel, etc. it is a convenience.

Membership Dues:

1998 fees remain at the \$20.00 level. They are now due and payable to your Chapter.

Recruitment of new members is a priority for all chapters in 1998. You can help by passing the word to friends and relatives who are pensioners from Bell Canada and related companies.

Remember that before the creation of BPG no one spoke for the Bell Pensioner.

BPG needs all Bell pensioners and all Bell pensioners need BPG.