

**BELL PENSIONERS' GROUP****Bulletin No. 9 July 17,1998****President's Message:**

Well, here it is July already and time for our mid-year Newsletter. It's hard to believe that it is already six months since I last prepared the President's Message. Your Board of Directors and many other BPG members have been very busy on your behalf since we last reported, so this issue will bring you up to date especially if you were unable to attend any of the Annual Meetings held during May.

Let me start by saying thanks to all those who attended one of the five Annual Meetings. It was a real pleasure for me to be able to attend all five meetings and get to meet many of you on a personal basis. It was a busy time but I feel it was worth the effort. The turn out (over 1200 attended) was the best since the creation of BPG. This is not surprising since our membership continues to grow. BPG now has over 3500 members and is still growing. Let's keep up the momentum-- recruit-recruit-recruit, size does count.

There were no elections held at this year's meetings as the Board positions were all elected last year for two-year terms. Updates on: Confederation Life Payouts, Activity re:proposed Senior's Benefits, Plans for involvement in the Pension Information Committee (PIC), Review of Financial status (Local & Corporate) and the year-end Audit Report were all presented at the Annual Meetings.

A significant portion of our agendas were allotted to Bell Canada for a review of the status of Benefit Plans, an update on the new Call Centre for Pensioner's services and an explanation of the Group Insurance/ Taxable Benefits issue that caught us by surprise at income tax time. In addition we asked Bell to give us a short update on what is happening in the "New Bell" these days with all the competition and changes in regulations. Denis Coderre, VP Benefits and Compensation attended all five Annual Meetings to cover the Benefits issues and the Bell Update with some assistance from other Bell Executives in Toronto and Montreal. We want to thank Denis and the Bell team for taking the time and effort to attend our meetings. The message was well presented---that does not mean we like or agree with what was presented but we have clearly heard the Bell position. All the more reason for a strong BPG Group to represent pensioners.

Most of the items I have discussed above are covered in more detail in the Newsletter. As you can see, we are active in all area's that our mandate covers:

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

Look for a new article in this Newsletter called- "DID YOU KNOW". This will be a feature in all Newsletters in the future. We hope the column will be helpful or at least act as a reminder of important information that is often lost or forgotten. Let us know what you think, or if you have some items you think we should cover in future issues, give me or one of the Chapter Chairs a call. We always like your input.

In closing, I would like to remind all members old and new, that BPG IS A VOLUNTEER ORGANIZATION. If we are to remain active and effective we need new recruits for both Chapter and Executive positions. Just as we needed your help to recruit new members we need the help of all members to identify new volunteers to staff many of our key positions: Chapter Chairs, Directors, Secretary, Treasurer, Communications, special interest committees-- the list goes on. If you can help, or if you know members or potential members who can help, talk to them or any Chapter Chair or Board Member.

Don Beauchamp, President BPG

**Confederation Life Update:**

The progress of the Confederation Life liquidation process continues to move forward in a favourable manner. As was reviewed at the Annual meetings in May, the payout percentage has been increased from 85% to 90% effective April 30, 1998. This increase was due mainly to the continuing strong economy and the liquidator's success with the sale of the Confederation Life Real Estate portfolio.

There also appears to be more good news on the horizon. A recent settlement (and court approval) with Arms-length creditors in North America and Europe should result in a further increase in the payout percentage to 95%. This agreement will proceed if Revenue Canada gives a favourable tax treatment to money paid out to the Arms-length creditors under this settlement. In the same press release that announced this settlement, KPMG's Bob Sanderson was quoted as saying the goal is now to hit 100% for the liquidation.

Revenue Canada is expected to rule on this plan later this summer. So, hopefully, we will get some more good news later this year. BPG will spread the word as soon as we get confirmation of any change.

We have come a long way in less than two years and the final outcome looks very promising.

**Pension Information Committee (PIC):**

By the time you read this Bulletin, all Bell Pensioner's should have received a letter from Bell, announcing the Call for Nominations for the PIC Committee. Your BPG Board of Directors, as discussed at the Annual Meetings, has decided that BPG should become more active in this process. The letter from Bell outlines the PIC role, so I won't go into detail here, but what your BPG Board feels is important, is that the two retired members positions be filled by two candidates endorsed by BPG (one for Ontario and one for Quebec).

After discussion with many BPG members, two candidates have now been endorsed by your Board and will be nominated by BPG members during the nomination period (from June 22 to July 31, 1998) to serve on the PIC Committee. If we are to be successful in having these candidates elected as PIC Committee representatives it is very important that all BPG members vote for these candidates in the election that will take place over a four-week period, from August 17 to September 11, 1998.

The candidates endorsed by the BPG Board of Directors are:

Quebec: Mr. Jean Marc Hébert, Laval, Quebec. Currently Chapter Chair of the Montreal Chapter.

Ontario: Mr. Dan Braniff, Collingwood, Ontario. Founding President of BPG.

It is important to remember that if these candidates are elected they will represent "ALL PENSIONERS" not just BPG members. However, what BPG can offer, is support to these representatives and to provide them the BPG forum of meetings and newsletters to inform our members and to gather input for PIC Committee discussions. The Board feels this is very much in keeping with our mandate.

Your BPG Board of Directors asks for your full support and active participation in the election process.

**Benefit Issues:**

Our guests from Bell Canada reviewed a study of the Bell position on retiree benefits as compared to a group of some 38 companies in comparable fields of endeavor. The results of this study indicate that Bell is more than twice as generous in its health and survivor protection benefits as the

average for the surveyed group. Bell has made it clear it wants to cut costs to remain competitive and this is the main reason for centralizing calls on benefit questions from pensioners and active employees alike in the newly implemented benefit call center. The number to call is 1-888-391-0005. Bell clearly stated that it has no plans to increase our pensioner benefits, however they did also assure us that they have no plans to cut back on the existing benefit, packages either. The one exception would be if there were further shifts in government plans. Bell has said in the past and restated at our meetings that they will not cover any decrease in government plans.

Bell is revamping its benefits package for employees who retire after the year 2000. They have said that the cost sharing plans now under study will be offered to existing pensioners. However, current pensioners will have the option of remaining with the existing benefits package if the new package does not meet their requirement. BPG will continue its dialogue with Bell on benefits issues on both the existing plan and future plan. We will keep you informed of any new input.

The history of the basic group life insurance plan and the taxation issue were reviewed. Discussion with the Tax authorities in 1993 resulted in an agreement between Bell and Revenue Canada and their Ontario & Quebec counterparts defining taxable benefits pertaining to life insurance. Bell erred in its application of this agreement since it went into effect in 1993. Bell has been calculating its taxable value at 1/12 the agreed formulae until the error was discovered in February of this year. The correction we saw on our T4A's covered the 1997 taxation year only. The question of the correction for 1993-1996 tax years is currently under review by Bell and the government agencies involved.

BPG has asked for a review of the facts leading to this agreement which is particularly costly to pensioners, especially younger retirees who feel they can obtain life insurance at less than the income tax assessed on the alleged taxable benefit. Bell has agreed to a review of the pertinent facts with BPG representatives (Claire Collis, Dave Barr, Don Beauchamp and Jean Marc Hébert) and BPG consultants. BPG has already received, in confidentiality, copies of the agreements with the tax authorities involved and other pertinent documents. The BPG representatives will have attended a meeting with Bell representatives and its consultants by the time you receive this bulletin. BPG plan to pursue all possible issues through discussions, representations and any other action which might bring some relief to this unacceptable tax. We will provide progress reports in future communications or meetings.

#### **Did You Know That:**

During the Group Life Insurance/ Taxable Benefit, discussions it was evident that many BPG members were not sure what their coverage was under the Bell Canada Group Insurance Plan. Your level of coverage is available by calling 1-888-391-0005 and identifying yourself by name and employee number.

Many of our members have asked how to find out how much of the \$50,000.00 lifetime limit on the Comprehensive Medical Expense (CME) plan has been used for themselves or their spouse. This information is available by calling Manulife Financial at 514-842-9222, in Montreal. 1-800-749-5953, in Quebec. From all other locations in North America call 1-800-558-8909.

The telephone concession plan, for levels II and up, has been improved. A Pensioner's Bulletin, to those affected, dated May 29/98 advised that the concession has been increased from 50% to 65% on long distance calls eligible under the Bell concession. This went into effect June 1, 1998. The Bulletin also advised there would be a retroactive credit issued (on Bills issued after July 1, 1998) for Bills issued on or after Feb. 4 1998. Pensioner/Employee pressure can work. This change was introduced as a result of the negative reaction from Pensioners and Employees alike when the **First Rate Plan** was introduced.

Bell booklet #9 titled **Personal Matters** published by Bell Canada in August 1990 is one of 10 booklets included in Bell Canada's package called **The Pensioner's Guide** This booklet, if prepared and updated, would provide a concise summary of your insurance policies, net worth, Will placement and other pertinent information required to wind up your estate / and assist your spouse in case of your death. If you do not have something similar on file, it is in your best interest to

prepare such a document, review it with your spouse and file it where both of you know where to find it. If you can not locate your copy of booklet #9, Bell Canada still have some copies available. Call 1-888-391-0005.

There are still some people who have not assigned an agent to collect their Confederation Life payouts. If you are one of them take action ASAP as you are only receiving 1% interest on the maturing values held by Confederation Life.

### **The Seniors' Benefit - Pending Federal Legislation:**

As we reviewed in our last bulletin 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 \$4800 a year, or possibly \$9600 a year for pensioner plus spouse.

Many recent Bell pensioners chose a Bell Canada "integrated pension" option, receiving a higher Bell pension payment up to age 65 which reduces when the government pension (OAS and Canada Pension Plan - CPP) payments start. The SB proposal would reduce the government pension payment. For those affected, total pension income would drop markedly at age 65.

BPG considers the SB proposal very unfair to pensioners, who have already made firm commitments, and believes the "grandfathering" option should be made available to all who are already on pension regardless of age. Bell agrees with and supports this view.

BPG and Bell representatives met with the Department of Finance on Dec. 8 /97, and has now met with Human Resources Development Canada (HRDC) on Feb. 2 /98. At these meetings, the Bell representatives were Linda Gervais, Vice President - Federal Government Relations, and Bill Pristanski. The BPG representatives were David Barr, Ottawa Chapter Chair, and Jim MacKay, Chair of BPG's "Seniors Benefit Ad Hoc Group".

The Bell - BPG message and concern 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 needed changes.

It appears that our timing was good and our story was appropriate. There is much pressure and desire within the Government to provide a "good news story". The Government's improving financial position widens the possible options.

Re: The fundamental Bell - BPG concern over the proposed Seniors Benefit's unfairness to those born in 1936 and later, we should expect the impact to be reduced but not disappear. The four Bell and BPG reps will meet after the government's next move, to consider further action.

*"There will be further developments - watch this space but don't hold your breath."*

### **Chapter Reports:**

#### **Toronto:**

The Toronto Chapter held their annual meeting on May 12, at Pavillion Royale in Mississauga. Chapter Chair Carol Reid and BPG President Don Beuchamp welcomed approximately 300 members in attendance. After the business portion of the meeting was completed, Josee Goulet, Bell Canada Group Vice President, Consumer Marketing & Sales-Ontario, presented an overview of Corporate direction. This was followed by a presentation, including a question and answer period, by Denis Coderre, Bell Canada Vice President, Compensation & Benefits. Membership in the Toronto Chapter now totals 958.

#### **Ottawa:**

Approximately 150 pensioners attended the Ottawa Chapter Annual General Meeting held on May 20th at the Nepean Sportsplex. Our chapter membership stands at 454 and it was felt that the broadened mandate of BPG was a factor in the increase in membership. Denis Coderre provided an informative overview of the issues and activities Bell is currently addressing. He also spoke of Bell Benefits in comparison to those offered by other large corporations. The gist of the presentation suggests that benefits are unlikely to improve in the foreseeable future.

**London:**

The London annual BPG meeting was held May 11, 1998 at St. Aidan's Church in London. There were 152 members in attendance. This was a record attendance for London, so big that we will have to look for a new meeting hall for the next meeting. Membership at the end of 1997 was 217. The current membership is at 297. The 1998 membership objective is 300. We hope to exceed this objective and we will continue to actively recruit new members throughout 1998. Current members can assist in the membership drive by talking about the BPG with friends and acquaintances and passing on this bulletin to someone who has retired from Bell Canada or one of its associate companies.

Financial statements that were presented and approved show that both the London BPG and the Corporate arm are in a healthy financial state. Currently funds are being expended to pay for our audit firm B.D.O. Dunwoody to investigate the rationale behind the box 28 increase on this year's T4 slip from Bell Canada.

Further on the subject of the T4 slip, on April 6, 1998 a delegation from BPG (London) met with Sue Barnes, MP for London West. The purpose of the meeting was to voice our concerns regarding the government tax ruling that resulted in a significant increase in taxable benefits, as reported on the T4A statement received by Bell pensioners in March. Our complaint was subsequently forwarded to the Ministry of Finance for investigation. To our dismay, as of June 29 Sue Barnes' office still had not received a response from Finance. Don Williams will continue to pursue this matter until we receive a satisfactory answer from our elected MP. The answer may not be to our liking, but at the very least, Bell pensioners are entitled to a better explanation for the increase in taxable benefits.

**Montreal:**

One hall held 60-65 anglophone members, the other, 250-260 francophone members for the annual general meeting on 26 May. Jean-Marc Hebert was on hand at 13h00 to greet the anglophone members and the meeting was chaired by Don Beauchamp. Paul LeSiege greeted the francophone members and Jean-Marc chaired the meeting. During the first part of the meeting, updates were provided on the Seniors Benefit legislation, the meetings with Bell, the dental plan, the Confederation increased payout, travel insurance, brief introduction to the taxable benefits controversy, and the BPG decision to support BPG candidates for the Pension Information Committee (PIC). The financial report, the auditors report were approved and the auditors mandate was renewed for another term. Members were invited to pick up handouts on government publications for the seniors, opportunities for work in developing countries and a request for suggestions for the fall meeting as we broke for coffee. Our Bell invited guests, Messrs. Denis Coderre and François Carrier for the anglophone group and Ms. Sylvie Lalande and Denis Coderre for the francophone group were greeted. Mr. Denis Coderre covered the Bell competitive situation for the anglophone meeting and the benefits package and the ensuing question and answers period in the francophone group. Mr. François Carrier covered the latter subject for the anglophone group and Ms. Lalande presented the Bell competitive position with the francophone group. In both groups, the benefits presentations led to vigorous exchanges with the members, particularly on the taxable benefits issue. The meeting was adjourned at 17h10.

This meeting stimulated recruiting, demand for information on BPG and membership application forms has increased sharply. Our membership which stood at 895 listed members now stands very close to one thousand (1 000) members at the time this bulletin was prepared. Our thanks to the many members who have spread the good word. There are over 8 000 Bell pensioners in Quebec, we should aim at recruiting at least 50% of them as BPG members between the Quebec and the Montreal chapters. Keep up the good work.

**Quebec:**

Approximately 150 members were present at our Annual General Meeting on May 28th. The members present were pleased to meet Don Beauchamp, our Corporate President, J. Marc Hébert, the Montreal Chapter President and Denis Coderre, Bell Vice President, Compensation and Benefits whose participation in the meeting was

appreciated. Mr. Coderre answered all questions from the floor after his presentation.

The items on the agenda were covered and the membership gave its support for past, current and proposed actions taken for the membership. They were enthusiastic and spontaneously approved the BPG support of Jean-Marc Hébert and Dan Braniff as candidates to represent the Quebec and Ontario pensioners respectively on the Pension Information Committee (PIC) in the upcoming elections. This is seen as a positive and constructive measure to protect and secure the rights of all Bell pensioners.

Other than the quality of the sound system, which justifies a change in the venue of our meeting next year, the meeting went well to the satisfaction of all present. Our annual meetings generate a lot of interest and it may be desirable to start earlier if we are to meet our objective of not being late for supper.

Here in Quebec, recruiting is an ongoing concern and the objective of each member is to get one other pensioner signed up. To date, this plan has been effective, the Quebec chapter now has 691 paid up members. This represents an excellent penetration of the pensioner base and we are justifiably proud but it does not authorize us to sit back content. On the contrary, it provides motivation to keep at it and increase our efforts even more to inform those who have not yet heard our message that becoming a member of BPG is for the welfare of all pensioners.

### **Membership:**

As we are now reaching **3500 BPG members** let's keep in mind that there are almost **26,000** Bell Pensioners out there and many do not yet know about us.

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

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.