



# Bell Pensioners' Group

Together, Protecting our Pensions and Benefits

Toronto Chapter

April, 2012 - Newsletter

P.O. Box 5, Stn "D", Etobicoke, ON M9A 4X1

[www.bellpensionersgroup.ca](http://www.bellpensionersgroup.ca)

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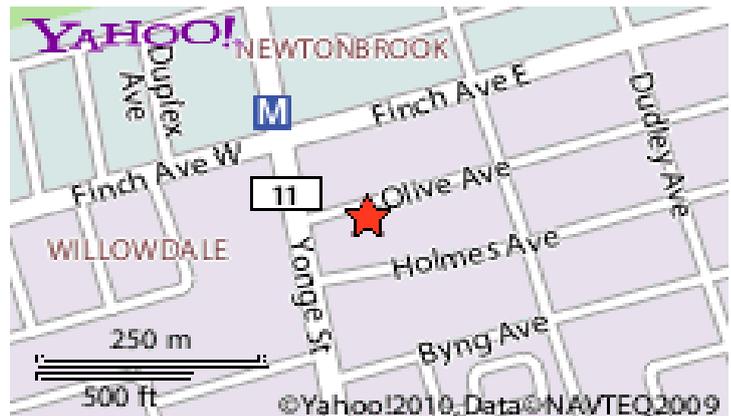
## BPG Toronto 2012 Annual General Meeting—Wednesday, May 16, 2012

The Toronto Chapter of the Bell Pensioners Group is pleased to provide notice of our Annual General Meeting on Wednesday May 16<sup>th</sup> 2012 at the Willowdale Baptist Church, 15 Olive Avenue, North York. This location addresses most concerns identified last year while still providing subway access for those without transportation. Those taking the subway should exit at the South end of the Finch Station using the Finch Ave Exit **not Bishop**. The Church is a very close to the subway entrance and you can enter via the church's back door on Olive St. If you are driving the entrance to the parking lot is on Holmes Avenue which is one block South of Olive as is the main entrance. Those needing to use the elevator should enter on the Olive Street entrance. In order to maximize parking and to keep out non-members volunteers will direct parking have your membership card available to gain access and please carpool to maximize use of available spaces. Please note that if you use a GPS or Google to find the location ensure you pick Olive Avenue in North York **not Olive Ave in Toronto**.

**Registration 11:30 to 12:30: Light Refreshments in the kitchen/lounge. (Please note, refreshments are not allowed in the Sanctuary).**

### Meeting Agenda

- 12:30-12:40: Opening Remarks: Chair
- 12:40-12:45: Director Elections
- 12:45-13:10: Treasurer 2011 Financial Report
- 13:10-13:50: Bob Farmer: President BPG
- 13:50-14:25: Steven Seifried: BIMCOR CIO



### Keynote Speaker

Our guest speaker will be Steven Seifried the Chief Investment officer for BIMCOR which manages our pension assets. Prior to joining BIMCOR, Steve gained considerable experience at Mutual Life of Canada/Clarica during his thirteen years of employment in money markets, foreign exchange and fixed income investments. He achieved top-quartile performance managing the fixed income assets of the Surplus segment (\$1.5B) from 1997-2002. In 2003, Steve joined Manulife's fixed income operations as a senior member of the Canadian fixed income operation with assets totalling over ten billion dollars. Steve was also a member of the asset allocation teams at both organizations.

Steve joined BIMCOR in 2005 as Vice President of the Fixed-Income department. In October 2007 he was promoted to SVP Fixed Income with additional oversight responsibilities for the money market and foreign exchange operations. During his time leading the fixed income group the team maintained first quartile performance (Mercer Survey). Steve was promoted to Chief Investment officer in the summer of 2009. In this role he is responsible for asset mix, total portfolio risk, foreign exchange hedging strategies and oversees management of all publicly traded assets.

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## BPG Board of Directors for 2012/2013

Outlined below is the Board approved slate of candidates for the 2012/2013 BPG Board. Our by-laws ensure that the Board has **provincial representation based on our membership levels**. Based on the membership as of December 31, 2011, 60% of the Board should come from Ontario (11 Board members) and 40% from Quebec (7 Board members).

The five Chapter Chairs (Ontario: 3, Quebec: 2) are automatically directors. Therefore we are looking to elect 8 Directors at Large from Ontario and 5 from Quebec. The following list reflects 7 directors for Ontario: the Nomination Committee is actively looking for an 8th candidate.

### EXISTING DIRECTORS AT LARGE

#### ONTARIO

**Robert Bartlett**  
**Sue Dawes**  
**Robert Farmer**  
**Linda Gervais**  
**Lancy Hum**  
**Ron Hunt**

#### QUEBEC

**Michel Doyon**  
**Jean-Luc Geha**  
**Daniel McDonald**

### NEW DIRECTORS AT LARGE CANDIDATES

#### ONTARIO

**Penny Gilray**

#### QUEBEC

**Roberte Cadieux**  
**Louise Touchette**

You will be asked to show your support for these dedicated volunteers by a show of hands at the upcoming Annual Meetings. Brief CVs follow for the three new candidates.

**Roberte Cadieux** – Roberte retired from Bell at the end of 2011 after 32 years of service. Trained as a terminologist, she started her career in Linguistic Services where she contributed to establishing telecommunications terminology related to telephone systems and operational management systems. In 1992, she joined the Communications team where she held various positions in Public Affairs, Government Relations and Internal Communications. She was the editor of the print newsletters for retirees and employees: *In Touch*, *Bell News* and *Bell Life*. She also led the Bell's 125-year anniversary book project. At the time of her retirement, Roberte was responsible for French editing and delivery of communications published via the national corporate communications channels.

**Penny Gilray** – Penny retired from Bell Canada in 2001 with 37 years of service. She held a wide variety of positions in Bell including – Director, New Products; Director, Business Transformation. She also worked in Network Operations, Central Office & Data Networks; Customer Service Operations, Assignment & Customer Systems Design; Regional Performance, Network & Region; Business Services; Operator Services. She is currently involved, as a volunteer, in several not-for-profit organizations.

**Louise Touchette** – Louise retired in December 2011 after 30 years of service. During her career, she had the opportunity to serve customers from all markets in Bell: Consumers, Small and Medium businesses and Enterprises. She held several positions as General Manager in Customer Service and Marketing, in Bell Québec and in Corporate groups. Within this period, competition and fast evolution of technology brought great challenges in product portfolios to retain customers and to tap into new markets. When she left Bell, she was responsible for loyalty programs in Bell TV.

## Employer Bankruptcy and Pensioners: Hope for the Best, Plan for the Worst

### Highlights

- Employer bankruptcy can have a major impact on pensions
- BPG's priority has been to influence the government pension rules: we are attempting to enhance pensioner rights in the face of employer bankruptcy
- We are also attempting to influence the evolution of case law by intervening in the Indalex case before the Supreme Court

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**First things first:** BPG wants to assure its members that our work to safeguard pensions should not be taken as a sign of an impending Bell Canada bankruptcy, or even a suggestion of it. Ultimately, **our fondest wish is that our efforts to improve the position of pensioners under sponsor bankruptcy will remain strictly academic for Bell Canada and its pensioners.** However, because the future is never certain, and because sponsor bankruptcy has not been uncommon in recent years, we will continue our efforts in the spirit of "Hope for the best, plan for the worst".

So let's look first at the potential impact of employer bankruptcy. A retiree's pension payments are not necessarily secure when the employer (sponsor) becomes bankrupt. **If the plan is fully funded**, then by definition there are sufficient assets to cover the liabilities of the plan. That means that all promised pensions can be fully paid, even if the sponsor ceases to exist.

However, **if the plan is not fully funded** when the sponsor becomes bankrupt, then pension payments are cut: the shortfall in the plan is spread among all plan members, resulting in lower pension payments.

For this reason, BPG's priority has been to influence the government pension rules so that the chances of plan underfunding are minimal. We have done this by **advocating for stronger funding rules** in government circles, and will continue to do so.

We have also considered **the position that pensioners occupy when the plan is underfunded at the time the employer enters bankruptcy.** There are legal obstacles to the protection of the pension promise in the legislation that governs pension plans, and in the legislation that provides for the bankruptcy process. These obstacles, and what BPG and others are doing to limit them, are discussed in the companion article, *Employer Bankruptcy: Legal Issues*.

As that article shows, we are attempting to enhance pensioner rights in the face of employer bankruptcy. One means of doing this is to attempt to influence the evolution of case law. The second article, *Pensioner Rights and the Indalex Case*, describes one such opportunity. BPG, as a member of the Canadian Federation of Pensioners, will be arguing before the Supreme Court of Canada to uphold a decision that confers greater pensioner rights.

Bob Farmer— President, Bell Pensioners' Group

## Pensioner Rights and the Indalex Case

Last year the Ontario Court of Appeal (OCA) overturned a lower court decision, and in doing so determined that under certain conditions, **pension plans should be given priority** in a bankruptcy proceeding. This is known as the Indalex decision, named after the employer whose pension plans were at issue.

**This decision is important to pensioners for two reasons.**

**First**, typically pension plans are accorded low priority, along with all unsecured creditors. This gives an underfunded pension plan little chance of recouping the plan's shortfall. Priority status, on the other hand, increases the chances of bringing an underfunded plan to a fully-funded position. The Indalex decision is significant in that it confers priority status to the pension plans at issue.

**Second**, the decision reinforces the obligations that employers have, as plan administrators, to act in the best interests of plan members. The OCA had found in the Indalex situation that the employer had not properly executed the duty it owed to its pension plan members.

The Supreme Court of Canada (SCC) has permitted an appeal of the Indalex decision. The appellants are looking to overturn the priority conferred by the OCA to the pension plan. The Canadian Federation of Pensioners (CFP), of which BPG is a member, has been granted intervener status in the case to be heard by the SCC. Legal counsel has been retained by CFP to make its case to the Supreme Court.

On behalf of all defined benefit pensioners, CFP's case will focus on:

- ensuring transparency and fairness in the treatment of pension obligations in a restructuring
- ensuring that the employer, as plan administrator, does not take actions detrimental to the interests of plan beneficiaries. This includes the duty to make sure that the plan's funding requirements are met.

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- ensuring appropriate measures are taken to address conflicts of interests
- the need for effective remedies when fiduciary obligations are breached

**The CFP will put its written case to the Supreme Court on May 9, and the Court will hear from all parties on June 5.** BPG will assess the impact of the Supreme Court decision when it is made available.

## Employer Bankruptcy: Legal Issues

### Highlights

- Bell Plan has a shortfall despite voluntary contributions
- Pension deficits should be given higher priority on the list of creditors
- BPG supports Bill C-331, to improve pensioner position
- Changes are needed to Pension Benefits Standards Act (PBSA)

BPG's objective is to ensure that the Bell Plan is fully-funded to the greatest extent possible and that any shortfall in the plan must be eliminated as quickly as possible. The most recent data available show that, as of 31 December 2010, the Bell Plan had a shortfall, or solvency deficit, of 11.5%. This means, if the Plan failed, **we could face reductions of over 10%** in the pensions that we have been promised. At the end of 2008 the solvency deficit was over 20%. Even though Bell has made voluntary contributions of \$2 billion since 2009, the Plan still has a shortfall.

The failure of a number of defined benefit pension plans in recent years, notably the Nortel plan, has encouraged the BPG Board to focus on achieving better protection for our members' pensions under bankruptcy legislation, as well as under federal pension law and regulations. From the outset, we realized this is a complex, confusing and sometimes inconsistent area of the law. Last summer we wrote to our lawyers, Koskie Minsky LLP (the same firm that is representing Indalex pensioners in their fight) posing a number of questions designed to give us a better understanding of the current law and to better prepare us in our efforts to improve pensioners' position.

The answers we received, as well as the discussions we had with Koskie Minsky, have highlighted the following:

***The most effective way to improve the position of Bell pensioners should the Bell Plan fail is to give pension deficits a higher priority in claims on the assets of employers who are failing financially.***

Currently, defined benefit pensioners whose plan is in deficit are **at the bottom of the list of creditors**, ranking, for example, after suppliers, secured creditors (such as bondholders), employees and commissioned salespersons, municipalities (taxes owed), and landlords (rent arrears). Defined benefit pensioners rank with the rump of unsecured creditors who would share in assets that remain (if any), only after the claims of secured and preferred unsecured creditors have been met.

To achieve an improved priority for pension deficits, **we support the efforts of the NDP** in bringing these issues before federal parliament in private members bills. Last year we actively supported Bill C-501. The Bill was not successful but, learning from the problems encountered in the discussions of the Bill, on 28 October 2011, Wayne Marston MP for Hamilton East-Stoney Creek, NDP Pensions Critic (and a former Bell employee), tabled private members' Bill C-331, "*An Act to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act (pension plans)*", also now known as the Pension Protection Act. If successful, this Act would move pension deficits close to the top of the list of preferred creditors – possibly even ahead of most secured creditors.

On 1 November 2011, Bob Farmer and Sue Dawes met with Mr. Marston. He explained that Bill C-331 sits well down the list of private members' bills for consideration (determined by ballot). However, it could be traded up if the time was right. Given a Tory majority government, securing changes to bankruptcy legislation is not an easy or short-term project. The NDP would have to be able to mobilize support within the House among sympathetic Tory MPs.

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BPG may be asked to mobilise our members to influence their MPs to support this measure. We would work closely with the Canadian Federation of Pensioners to ensure a united voice.

Since bankruptcy legislation is federal, the success of legislation such as Bill C-331 would improve the position of pensioners should their plan sponsor fail, regardless of whether a plan is federally or provincially regulated.

*Changes to the federal Pension Benefits Standards Act (PBSA) to exclude the assets needed to eliminate pension deficits from the assets available for distribution to creditors in bankruptcy situations.*

Federal pension regulations currently allow sponsors to pay off a plan deficit in so-called "special payments" due over up to 15 years (a period which we continue to argue should be reduced to no more than 5 years). A provision in the PBSA called a "deemed trust" provides that any arrears of these special payments should be excluded from the assets available for distribution in bankruptcy proceedings. However, following a recent change to the PBSA, the "deemed trust" does not cover those special payments needed to eliminate a pension deficit which have not yet come due. In its future representations to government concerning needed changes to the PBSA, BPG will argue that all assets required to eliminate a pension deficit at the time of plan failure should be a "deemed trust".

The BPG Board believes it is important that all avenues to protect our pensions in the event of plan failure are explored.

Sue Dawes— Chair, Pension Committee

## Membership Report

Our chapter's membership shrunk for the first time in 2011 as about 142 of our members did not renew their membership. While some have rejoined it is difficult to understand why, when our Pension Plan is in a deficit position and various regulatory changes are being made or proposed which could impact pensions, that pensioners would be complacent and not support an organization that works so hard to protect our Pensions and Benefits as well as researching and advocating for improvements to legislative and regulatory requirements. BPG's strength comes from its' numbers and each and every member is very important. Currently there are a huge number of new retirees, as you would have noticed in the last issue of Intouch, who retired just before 2012 to ensure they could qualify for benefits. We need to recruit these folks so please look through Intouch and tell your recently retired friends and colleagues about us. The Toronto Chapter Advisory Board has acted on a members suggestion and agreed to stage a contest to encourage our current members to recruit others especially these new retirees. More about this at the end of this newsletter.

## Toronto Chapter Membership Statistics (as of April 1<sup>st</sup> 2012)

	<b>2012</b> <b>Apr. 1, 2012</b>	<b>2011</b> <b>Mar. 30, 2011</b>	<b>2012/2011</b> <b>VARIANCE</b>
<b>Total Members</b>	<b>3,512</b>	<b>3,655</b>	<b>-143</b>
<b>Members Paid</b>	<b>2,855</b>	<b>2,599</b>	<b>256</b>
% Members Paid	81%	71%	
Members Paid Via PayPal	420	178	
<b>Members NOT Paid</b>	<b>657</b>	<b>1,056</b>	<b>-399</b>
% Members NOT Paid	19%	29%	

## BPG Fall General Meetings

The Chapter advisory board has decided that there will be 2 fall General meetings one in Oshawa at the CAW Hall and another in the West of Toronto perhaps in Mississauga or Etobicoke. We are currently seeking a location. If any of our members know of a Church or Union Hall or Community Centre close to the main Highways (QEW, 403 or 401) with ample parking please advise us. Our experience in Oshawa and Burlington indicates that such spaces are more affordable than banquet halls. We would anticipate about 200 to 250 attendees at each location.

## Are you aware

### **Annual Pension Recipient Audit**

Bell is once again conducting an annual audit of some pension recipients. Those who would be audited were identified in the Annual Statement and Bell has now mailed out the required forms "Certificate of Pension Entitlement". You must complete and return this form in the stamped envelope provided by the deadline to avoid any interruption in your pension payments.

### **OAS Changes**

Several of you have inquired about what will happen with Bell pensions to anyone affected by plans to delay OAS payments until age 67 gradually starting in 2023 until 2029. BPG will be discussing this matter with Bell in April and any new information will be reported in upcoming issues of this newsletter.

### **Manulife Website Upgraded**

The Manulife Financial website has recently been upgraded and is a little more user friendly. You can review claim history and search claims between a range of dates as well as the type of claim. It makes it easier to look at claim history to determine when last you bought eyeglasses etc. for yourself or others if you are on a family plan. <https://bce.manulife.com/BellPlanMemberUI/Login.aspx?language=English> You need your employee/retiree # and the group plan # and your password. You can also call their customer service representatives at 1 800 558-8909.

### **Discounts and Offers**

There are a number of discounts and offers available to employees and retirees ranging from Car purchase and rentals, Apple Store, Dell, HP, Lenovo, Dataworld etc. More information can be found at <http://www.intouch.bell.ca/> under Discounts and offers.

## Help Us Locate Missing Members

Once again we are asking for your help in locating members who have likely moved and forgotten to inform us. We would appreciate you letting us know if you know the current whereabouts of any of the following members:

Elizabeth Coon – Scarborough

Letty Haring – Chatham

Janet Douglas – Toronto

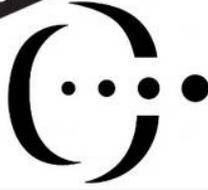
Doreen McGarry – Mississauga

Frances Galvin – Huntsville

Donald Stacy – Mississauga

Darlene Glenn – Dundas

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## **BPG Toronto Membership Recruitment Contest**

The Toronto Chapter of BPG is conducting a membership recruitment contest starting on May 1<sup>st</sup> 2012 and ending at midnight on October 1<sup>st</sup> 2012 for all members who recruit new members.

Any member who recruits a new member will be awarded one entry into the draw for each new member that is submitted. To enter please use the special application form in the April 2012 and June 2012 newsletters or write the name, address and phone number of your recruit on the application and we will follow-up with the recruit. If your recruit decides to join by using the online application then simply send us an email at [Toronto@bellpensionersgroup.ca](mailto:Toronto@bellpensionersgroup.ca) or leave a message at our Chapter phone number— 905 695-9230, providing your name and membership number and indicating the name of your recruit so we can add you to the draw.

One prize will be awarded for every 15 new members referred or part thereof. Each prize will be for a \$100 gift card. The names of all member recruiters will be placed in a container and the winners will be drawn at the General meeting in Oshawa in the Fall of 2012.

The more members you recruit, the more chances you have to win. Winners do not have to be in attendance at the meeting to win prizes as the prize will be sent to winners who are not present. The contest is open to every member in good standing and the draw will be made by an ineligible "outsider".

### The Fine Print

Sponsoring members must be in good standing to qualify for the draw and all members qualify for the draw including members of the Chapter Board. This contest only applies to the Toronto Chapter.

**See BPG Membership Application Form on Page 8**

## BPG Membership Application Form



**Bell Pensioners' Group**

Together, Protecting our Pensions and Benefits

**Please pass this form along to fellow Pensioners who may not have joined BPG yet. To ensure your entry into the Recruitment Contest, please provide your name and membership number in the space below:**

**Name:** \_\_\_\_\_ **Membership No.** \_\_\_\_\_.

***This form should not be used for renewals unless you wish to pay now for future years***

*I wish to become a member of the Bell Pensioners' Group (BPG) Inc and I enclose my cheque for \$20.00.*

- The annual fee of \$20.00 covers the period from January 1 to December 31.
- All fees received will be applied to 2012. Amounts over \$20.00 will automatically be credited to subsequent years.

New Application \_\_\_\_\_ Payment for future years \_\_\_\_\_ (indicate with an "x")

Family & Given Names:		Initials:	
Address:			
City or Town:		Province	Postal Code:
Retired From (check one): Bell Canada ___ Bell Mobility ___ Expertech ___ BIMS ___			
Bell ExpressVu ___ BICTOS (Connexim) ___ Other (specify) _____			
Month/Year Retired /			
Telephone:		Email:	
I would like to receive my newsletters by:		Email _____	Mail _____
Signature:		Date: (dd/mm/yy)	

Please mail completed form along with your cheque to: Bell Pensioners Group, P.O. Box 5-Stn "D", Etobicoke, ON, M9A 4X1 *note: you may also click on the following link to access an on-line form which can be used instead of the above:*

<http://www.bellpensionersgroup.ca/membership.php?lang=en&chapt=Toronto>

***Important: If this this is a payment for future years; Please write your membership number on the cheque to ensure accurate posting. Please make cheque payable to BPG (Bell Pensioners' Group).***

**This newsletter is published by the Toronto Chapter of the Bell Pensioners' Group (BPG).**

**Please send your comments or suggestions to: [toronto@bellpensionersgroup.ca](mailto:toronto@bellpensionersgroup.ca) or call 905 695-9230.**

**The inclusion of an advertisement in this newsletter does not imply an endorsement by BPG.**