

# STAYING IN TOUCH



## North Island - John Finn

Newsletter No. 72

March 2017

Canada Post Publications Mail Agreement No. 40033460



### President's MESSAGE

A December opinion piece in the *National Post* began with the line “The public sector is still getting rich off the taxes you're forced to pay.” It cited a *Fraser Institute* bulletin which claimed that, in 2015, employees from federal, provincial and local governments were, on average, paid a 10.6% premium over their private sector counterparts. Unfortunately, while the paper speaks bravely about control variables and regression analysis, its computational methodology is not revealed. Moreover, when we see something like a 39.5% premium paid in “protective service occupations”, we are left wondering about what privately-owned police and fire services were used as a basis for comparison.

The *Fraser Institute* then went on to say that public sector workers also enjoy an advantage in “non-wage benefits”, most notably pension plans. Whereas the report's language was neutral, the *National Post's* was inflammatory: “Public-sector workers also enjoy the **overly generous** pensions that have largely vanished in the private sector due to their **tendency to bankrupt firms**. Nearly 90% of government workers get a registered pension plan as against under a quarter in the private sector. And over 90% of government plans are the **lavish** defined-benefit sort, against less than half of private plans.”

So this is the kind of message defenders of pension plans are up against. Our *Association* insists that, instead of focusing on the 89% of public-sector workers who have pension plans, we should be more concerned about the 76% of private-sector workers who have no pension plan at all. The message here is “income security in retirement for all Canadians”.

As you are all aware, a defined-benefit plan is the most secure type as long as it is properly funded. You also know that pension benefits get cycled back into the Canadian economy in the form of consumer spending and taxes. Is the public sector getting rich on the taxes we are forced to pay? To use the Comox Valley as an example, with over 21% of its population 65 or older, I would guess that pension income is a pretty important part of the local economy.

We also know that income is a major determinant of health. Retirement income security brings better health status and outcomes which reduces demands on the healthcare system. Also, retirees with solid pension plans are less likely to rely on other forms of government assistance. In theory, that reduces the tax burden.

### MEETING DATES

March 8, 2017  
June 14, 2017  
September 13, 2017  
December 13, 2017

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## ***President's Message Continued from Page 1***

However, on 19 October 2016, Bill C-27, *An Act to amend the Pension Benefits Standards Act, 1985* was quietly introduced in the House of Commons. The Bill was introduced without notice or consultation and contains measures that contradict election promises to improve retirement security for Canadians. In fact, it directly contradicts a written promise from Prime Minister Trudeau to our *Association* which stated that defined-benefit plans “which have already been paid for by employees and pensioners should not be retroactively changed.”

In April 2014, the Harper government launched consultations on introducing target-benefit pension plans. Strenuous opposition forced the government to withdraw the legislation. Bill C-27 looks pretty much like the Harper government's proposal and, if enacted, could negatively affect existing private and public defined-benefit plans in every Canadian jurisdiction.

Our *Association* does not support Bill C-27 in its present form for a number of reasons. While it would initially affect Crown and federally regulated corporations, it will set the new standard for pension reform across Canada and accelerate the erosion of good pension plans. If the federal government lets employers in one sector escape their pension obligations, all other employers will demand the same treatment.

Employers promised current and former employees defined-benefit pensions as part of their compensation package. Bill C-27 would let employers renege on that promise. When is a deal not a deal?

The government will argue that C-27 will not permit converting existing defined-benefit plans to target-benefit plans without the consent of plan members. While employers could offer incentives to get members to surrender their defined benefits, it seems more likely they would resort to threats of job losses, reduced benefits or even bankruptcy.

If some members are swayed to change plans, the remaining defined-benefit participants will be fewer in number and the plan will be weakened.

Target-benefit plans are sometimes euphemistically described as “shared-risk” plans. That was how New Brunswick marketed its 2014 *Public Service Shared-Risk Plan* which impacted both current and retired employees. It required member consent to the change but, as one actuarial consultant has pointed out, the consent received was far from unanimous and was based on incomplete disclosures and misleading information. For example, the calculations presented promised a 97.5% likelihood that base benefits would be paid. However, a similar calculation using an equally plausible set of input assumptions produced only a 73% chance that the basic target would be realized.

The change was promoted in the name of pension plan sustainability when the plan it replaced was actually 90% funded. You can find some of the briefing slides forecasting plan bankruptcy online. In reality, the whole thing was done to drive down benefits (as much as 50% by one estimate) and to transfer 100% of the risk from employer to employee.

Back when interest rates were high, pension plan managers had more low-risk investment options and returns were higher. Some even gave themselves contribution holidays. Guess they weren't saving for rainy days. I can only assume that today's employers are wary of equity market risks but are also driven to reduce costs wherever they can – the bottom line and executive bonuses are what matters.

Our *Association* is not opposed to target-benefit plans per se, provided that they are new plans. Indeed, for employees with no pension plan at all, any plan would be a big step forward. So our position is that Bill C-27 be amended to permit target benefit plans as a new plan design option only.

Needless to say, our folks in Ottawa are keeping a close eye on the Commons order paper. They want to be heard if and when the Bill goes to committee. They have urged us to contact our MPs. I have written to both Gord Johns and Rachel Blaney and expect to meet with Rachel when the current parliamentary session ends.

***President's Message Continued on Page 3***

Private-sector employees in the United States pretty much rely on 401(k) plans which are defined-contribution plans. The large scale trend away from defined-benefit plans started a decade ago when IBM froze its plan as a precursor to doing away with it. It was estimated that IBM could save up to \$3 billion over the next four years by doing this. Corporate America justified this because Congress was trying to force companies to fully fund their pension plans. Congress was doing that because some major employers (like airlines) were declaring bankruptcy with unfunded plans which meant taxpayers were on the hook for the shortfall.

Anyway, 401(k) plans are registered plans (kind of like an RRSP) to which employees contribute. Employers may or may not supplement or match employee contributions. What the retiree gets out will depend upon how the plan's investments have performed in the market. That's risk.

There's a bit of a fight going on right now over legislation to require that plan managers accept fiduciary responsibility for their clients. That means they have to act in their clients' best interests rather than their own. Not unsurprisingly, those who churn investments and fear for their commissions object. For the moment, implementation is on hold, courtesy of the new Administration.

So it's important to follow what's happening south of the border since we seem to be trending in a similar direction.

*Bill Turnbull* - Branch President

## **“ELECTIONS 2017”**

Hi folks

It is Election time again at Branch BC 06. We are looking for help on the executive. Some of the executive have been doing these jobs for a long time and would like some assistance or to retire.

We have the following positions up for election:

- ◆ President
- ◆ Secretary
- ◆ Health Benefits Officer
- ◆ Programs Director
- ◆ Welfare Director
- ◆ Communications Director – presently vacant
- ◆ 3 Directors at Large – 2 presently vacant

If anyone can see themselves or anyone they know, in any of these positions, please contact our President, Bill Turnbull at 250-338-1857 or come to the AGM on Wednesday, March 8, 2017.

If the person you are nominating will not be at the meeting, you will need their permission to put forth their name.

If you would like to see what we are all about you are welcome to attend one of our Executive meetings on the 1<sup>st</sup> Tuesday of each month (except July & August), at the Comox Legion Hall at 1 p.m.

Our Telephone Coordinator – Norma Dean is recruiting for volunteers to make calls 3 times a year. This is another way to meet people and help our branch.

See you at the next meeting.

Cecile Turnbull

## NAFR NORTH ISLAND — JOHN FINN BRANCH EXECUTIVE

Past President	Cecile Turnbull	338-1857	cecile.turnbull@shaw.ca
President	Bill Turnbull	338-1857	bc.turnbull@shaw.ca
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Treasurer	Serge Gosselin	338-0846	sergegos@shaw.ca
Communications	Unencumbered		
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Historian	Dale Dean	890-1218	dd1218@telus.net
Telephone	Norma Dean	890-1218	n-ad-2@hotmail.com
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Welfare	Deborah Yelf	897-0106	dyelf49@shaw.ca
Director	Marjorie Arnold	703-0873	marjarnold@shaw.ca

### Independent Financial Review Committee 2015:

John Renaud	339-7042
Dave Shewchuk	331-0210

## *From the Editor's Desk*

This edition has a report from the president concerning Bill C-27, there is a reminder that the meeting on March 8th is our Annual General Meeting (AGM) and includes the election of Branch executive members. I would like to urge anyone interested in the organization and it's future to step forward and be willing to learn and help out the current executive.

Please note and consider the "Notice of Motion" that will be voted on at the meeting. It concerns the "Defense of Benefits" reserve. There is an article about drinking water as well as a paid advertisement from Aji Fliss, one of our NAFR members. Enjoy.

Kevin Weighill—Newsletter Editor

### Comedy Corner

**Wife** : Do you drink beer? **Husband** : Yes

**Wife** : How many beers a day? **Husband** : Usually about three

**Wife** : How much do you pay per beer? **Husband** : \$5.00 which includes a tip

**Wife** : And how long have you been drinking? **Husband** : About 20 years, I suppose

**Wife** : So a beer costs \$5 and you have three beers a day which puts your spending each month at \$450. In one year, it would be approximately \$5400 - correct?

**Husband** : Correct

**Wife** : If in 1 year you spend \$5400, not accounting for inflation, the past 20 years puts your spending at \$108,000 correct? **Husband** : Correct

**Wife** : Do you know that if you didn't drink so much beer, that money could have been put in a step-up interest savings account and after accounting for compound interest for the past 20 years, you could have now bought an airplane?

**Husband**: Do you drink beer? **Wife** : No. **Husband** : Where is your airplane?

### Publisher NORTH ISLAND JOHN FINN BRANCH NATIONAL ASSOCIATION OF FEDERAL RETIREES (NAFR)

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**Representing retired employees  
and spouses**

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Canada, the Canadian Forces and  
the Royal Canadian Mounted  
Police**



## Luncheon News Luncheon News



The next Federal Retirees Luncheon/  
meeting is our annual AGM

It will take place at the  
Best Western Westerly Hotel in Courtenay on:

Wednesday, March 8<sup>th</sup>, 2017

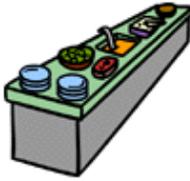
Meet & Greet: 11:00 a.m.

Buffet Lunch: 12:00 p.m.

Business Meeting: 1:00 p.m.

Guest Speaker – Bob Quelch - Audiologist, Regional Manager of  
HearingLife Canada: 1:30 p.m.

Hot



and cold buffet includes:

Rolls & Butter

Tuscan Chicken Breast

Roasted Red Potatoes

Vegetarian Lasagna

Steamed Seasonal Vegetables

2 salads – Green and Caesar

Dessert squares

Coffee & Tea



The cost of the buffet lunch is **\$18.00 per person** - payable at the door.  
Telephoners will be calling those members that can't reach by e-mail and  
you can reserve with them or by calling Norma Dean at 250-890-1218.

As usual we will have our 50/50 and door prize draws.

**Cecile Turnbull - Programs Director**

### Membership Fee Reminder

A short note concerning membership . The fees for next year are due by 1 January 2017.

★ Single memberships cost \$47.76

★ Double memberships are \$62.04

You can read more about the revised fee structure in the fall 2016  
edition of *Sage* magazine. Also, the Association recently announced  
that it will no longer issue renewal stickers for membership cards. This  
will save about \$100,000 annually.

If your fees are not deducted from your pension, you can mail a  
cheque to:

NAFR, PO Box 1420 , Comox, BC V9M 7Z9



# 6 Reasons to Drink Water

It's no magic bullet, but the benefits of water are many. Americans seem to carry bottled water everywhere they go these days. In fact, it has become the second most popular drink (behind soft drinks). But water lovers got a jolt recently when we heard that a new report had found that the benefits of drinking water may have been oversold. Apparently, the old suggestion to drink eight glasses a day was nothing more than a guideline, not based on scientific evidence. But don't put your water bottle or glass down just yet. While we may not need eight glasses, there are plenty of reasons to drink water. In fact, drinking water (either plain or in the form of other fluids or foods) is essential to your health. "Think of water as a nutrient your body needs that is present in liquids, plain water, and foods. All of these are essential daily to replace the large amounts of water lost each day," says Joan Koelemay, RD, dietitian for the Beverage Institute, an industry group.

Kaiser Permanente nephrologist Steven Guest, MD, agrees: "Fluid losses occur continuously, from [skin](#) evaporation, breathing, urine, and stool, and these losses must be replaced daily for good health," he says. When your water intake does not equal your output, you can become dehydrated. Fluid losses are accentuated in warmer climates, during strenuous exercise, in high altitudes, and in older adults, whose sense of thirst may not be as sharp.

Here are six reasons to make sure you're drinking enough water or other fluids every day:

**1. Drinking Water Helps Maintain the Balance of Body Fluids.** Your body is composed of about 60% water. The functions of these bodily fluids include digestion, absorption, circulation, creation of [saliva](#), transportation of [nutrients](#), and maintenance of [body temperature](#). "Through the posterior pituitary gland, your [brain](#) communicates with your [kidneys](#) and tells it how much water to excrete as urine or hold onto for reserves," says Guest, who is also an adjunct professor of medicine at Stanford University.

When you're low on fluids, the [brain](#) triggers the body's thirst mechanism. And unless you are taking [medications](#) that make you thirsty, Guest says, you should listen to those cues and get yourself a drink of water, juice, milk, coffee -- anything but alcohol. "Alcohol interferes with the [brain](#) and kidney communication and causes excess excretion of fluids which can then lead to [dehydration](#)," he says.

**2. Water Can Help Control Calories.** For years, dieters have been drinking lots of water as a weight loss strategy. While water doesn't have any magical effect on weight loss, substituting it for higher calorie beverages can certainly help.

"What works with weight loss is if you choose water or a non-caloric beverage over a caloric beverage and/or eat a diet higher in water-rich foods that are healthier, more filling, and help you trim calorie intake," says Penn State researcher Barbara Rolls, PhD, author of *The [Volumetrics Weight Control Plan](#)*.

Food with high water content tends to look larger, its higher volume requires more chewing, and it is absorbed more slowly by the body, which helps you feel full. Water-rich foods include fruits, vegetables, broth-based soups, oatmeal, and beans.

**3. Water Helps Energize Muscles.** Cells that don't maintain their balance of fluids and [electrolytes](#) shrivel, which can result in muscle [fatigue](#). "When muscle cells don't have adequate fluids, they don't work as well and performance can suffer," says Guest.

Drinking enough fluids is important when [exercising](#). Follow the American College of Sports Medicine guidelines for fluid intake before and during [physical activity](#). These guidelines recommend that people drink about 17 ounces of fluid about two hours before exercise. During exercise, they recommend that people start drinking fluids early, and drink them at regular intervals to replace fluids lost by [sweating](#).

**4. Water Helps Keep Skin Looking Good.** Your skin contains plenty of water, and functions as a protective barrier to prevent excess fluid loss. But don't expect over-[hydration](#) to erase [wrinkles](#) or fine lines, says Atlanta dermatologist Kenneth Ellner, MD.

"[Dehydration](#) makes your skin look more dry and wrinkled, which can be improved with proper hydration," he says. "But once you are adequately hydrated, the [kidneys](#) take over and excrete excess fluids."

You can also help "lock" moisture into your skin by using moisturizer, which creates a physical barrier to keep moisture in.

**5. Water Helps Your Kidneys.** Body fluids transport waste products in and out of cells. The main toxin in the body is [blood urea nitrogen](#), a water-soluble waste that is able to pass through the kidneys to be excreted in the urine, explains Guest. "Your kidneys do an amazing job of cleansing and ridding your body of toxins as long as your intake of fluids is adequate," he says.

When you're getting enough fluids, urine flows freely, is light in color and free of odor. When your body is not getting enough fluids, urine concentration, color, and odor increases because the kidneys trap extra fluid for bodily functions.

If you chronically drink too little, you may be at higher risk for [kidney stones](#), especially in warm climates, Guest warns.

**6. Water Helps Maintain Normal Bowel Function.** Adequate hydration keeps things flowing along your gastrointestinal tract and prevents [constipation](#). When you don't get enough fluid, the [colon](#) pulls water from stools to maintain hydration -- and the result is [constipation](#).

"Adequate fluid and fiber is the perfect combination, because the fluid pumps up the fiber and acts like a broom to keep your bowel functioning properly," says Koelemay.

**[See page 8 for 5 tips to help you drink more water](#)**

# Notice of Motion

The Branch ended the years 2014 and 2015 with, in a sense, too much money in the bank; that is, more than needed to cover one year's expenses as calculated by National Office. This meant that the Branch had to repatriate money to Ottawa. The solution to this problem of what are termed "unallocated reserves" is to earmark reserve funds for various purposes so that a smaller amount remains unallocated.

Our by-laws only allowed for a Defence of Benefits Reserve, the amount of which could only be set at a Branch Annual General Meeting (AGM). In order to permit a wider range of reserve fund types and to allow the setting of limits at other than a Branch AGM, the executive voted to amend by-law section 9.6 as follows:

Old By-Law:

## 9.6 Defence of Benefits Emergency Reserve Fund

The Branch may establish and maintain a reserve fund, known as the Defence of Benefits Reserve Fund, withdrawals from which may be made only to support initiatives to promote or protect significant pension or health benefits.

### 9.6.1 Maximum Amount

The maximum amount to be held in the Defence of Benefits Reserve may be set at a Branch Annual Meeting by a proposal receiving a majority of the votes cast.

9.6.2 The Branch executive may authorize the withdrawal from the reserve up to a limit set by a vote at a General meeting. Withdrawals over that limit must be authorized at a Branch Annual, Special or General meeting by a proposal receiving a majority of the votes cast.

New By-Law:

## 9.6 Allocated Reserves

The Branch may establish and maintain Reserves, withdrawals from which may be made only to support the designated purpose. For example, a Defence of Benefits Reserve may only be spent on initiatives that promote or protect significant pension or health benefits.

### 9.6.1 Maximum Amount

The maximum amount to be held in a Reserve will be set by the Executive subject to approval at a Branch Annual, General or Special meeting by a proposal receiving a majority of the votes cast.

9.6.2 The Branch Executive may authorize a withdrawal from a Reserve up to a limit set at a Branch Annual, General or Special meeting. Withdrawals over that limit must be authorized at a Branch Annual, General or Special meeting by a proposal receiving a majority of the votes cast.

The foregoing changes allowed us to approve increasing the Defence of Benefits Reserve and to create an Equipment Replacement Reserve before the end of fiscal year 2016. The changes are, however, subject to approval at the next Branch AGM on 8 March 2017 (and ultimately by the National Board).

To that end, motions will be put to the members attending the AGM, asking that they approve the above amendments and establish a withdrawal limit. My recommendation would be \$7,500 which is the most our Branch can spend without National approval.

William Turnbull  
Branch President

## Hello Phoners!



### Members on the phone committee please remember.....

If you're going to be out of town prior to a general meeting and you're unable to phone the people on your list, please phone Norma Dean (Tel.- 250-890-1218), so that she can re-assign those names to another phone committee member. It is important that members know about upcoming general meetings, and it is important that we know whether or not they intend to come.

## Tired of Winter? Want a Sunny, Warm Vacation?

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## 5 Tips to Help You Drink More Water

If you think you need to be drinking more, here are some tips to increase your fluid intake and reap the benefits of water:

1. Have a beverage with every snack and meal.
2. Choose beverages you enjoy; you're likely to drink more liquids if you like the way they taste.
3. Eat more [fruits and vegetables](#). Their high water content will add to your hydration. About 20% of our fluid intake comes from foods.
4. Keep a bottle of water with you in your car, at your desk, or in your bag.
5. Choose beverages that meet your individual needs. If you're watching calories, go for non-caloric beverages or water.

### MEMBERSHIP UP-DATE

**Do we have the correct information on you as a member?** It is important to us and to you that our records are up to date. If the label on this newsletter has your INITIALS instead of your given name, we may not have all the information we need to ensure that you get all the updates from your branch or National Office. Please fill in the following and send it to us (address on Page 1).

Surname ..... Given names:.....

Mailing address: .....

City/town ..... Postal Code ..... Phone .....

E-mail address:.....