REPORT FROM THE CURAC CONFERENCE

Dr. Joanne Craig and I attended the annual CURAC conference held at York University, May 18^{th}-20^{th}. It was generally a well-run event with presentations on pensions, benefits, ageism, insurance, investment, health and wellness, etc.

The following is my condensed version of the salient points:

1. Pensions

It was generally agreed that small plans, such as ours, are generally in trouble because they are very vulnerable to market forces, have low levels of supervision by pension committees and often allow actuaries too much latitude to influence decision making for the future. All defined benefit plans took a major hit in the recent financial meltdown and the expected recovery time is 4-5 years. However, across the country, in general terms, defined benefit plans are working.

There will be more emphasis on:

- Safety margins in all DB plans, 105% at least
- More use of "going concern" solvency measure
- Sharing deficits
- "Hybrid pension models", a combination of defined benefit and defined contribution systems
- More pressure from retirees to share the governance of pension funds
- Making indexation contingent on fund performance
- New "second tier" CPP/QPP supplementary pension plans
- More frequent actuarial evaluations

2. Benefits

We are not alone in our loss of indexation; similar losses have occurred at King's College in Halifax and at UNB. The overall tone of corporate thinking regarding benefits after retirement is definitely negative, e.g., at a recent conference of University Business Officers, one paper given by the Director of Human Resources at Simon Fraser was entitled simply "Elimination of Post-retirement Benefits"

Things to watch for:

-a return to age 65 as the normal retirement age, possibly increasing to 67

-a reduction/elimination of early retirement incentives

-new “sustainable” benefit adjustments, e.g. reduction of health care and travel coverage (already underway at Concordia, Dalhousie and McMaster)

3. Interesting Tidbits

-Queen’s, Ryerson and York are all working on new retirement schemes that will allow faculty members to draw their regular pensions at age 65 and continue working by teaching up to seven semester courses per year at very reasonable rates ($8100/ course). Those who chose this option are designated as “senior scholars” and may continue to apply for grants, supervise research or theses, etc.

-At UBC, the going rate for retirees who review articles, books and grant applications is $250/ assignment; the rate for simply reading a thesis and giving comments is $100/thesis

- At the University of Windsor retirees can be eligible for up to $12000/ year in total reimbursements for teaching, research expenses, travel, etc.

- A “hybrid” pension plan that uses both the defined benefit calculation and the defined contribution calculation is on the table at York. You choose either the DB or the DC plan as you enter but on retirement you get two estimates of your pension one from each method and you can opt for the higher of the two values.

C. Rose

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