

BRITISH COLUMBIA TEACHERS' FEDERATION NEWSLETTER

VOL. 9, No. 9

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MARCH 1970

Pensions: the gloves are off!

By TOM HUTCHISON
Chairman, Pensions Committee

There will be no pensions legislation in 1970! This is the word we get, indirectly. From the Provincial Secretary we have no direct message. The answer to our requests 'will be in legislation, or the lack of it,' he says.

The present structure of our pensions was fixed in 1961. The government's contribution per teacher was fixed in 1961. Changes in 1965 and 1968 accommodated the Canada Pension, and the government now pays its share of Canada Pension from the trifling sum of \$281 per teacher fixed in 1961. Some other minor changes, and that's it.



The world moves, costs rise, inflation continues. B.C. booms. But the government's support to each teacher's pension is a decade old.

There has not been a year in that decade when a retiring teacher has looked forward with satisfaction to an adequate pension.

Our requests, presented in a brief to the Provincial Secretary in September, are not spur-of-the-moment. They arise from deep dissatisfaction over pensions and carefully documented consideration of what a pension ought to be. Our requests have fallen in a void.

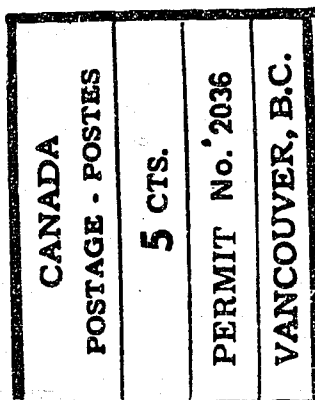
Discussion with the Provincial Secretary has revealed his views on how we ought to approach government, but nothing on his opinion of the economics and justice of our case. Discussion with his Department officials, though theoretically enlightening, gives no hint of government intention.

That we have to sit, 'like patience on a monument,' reading the oracle of government, is an insult to the reasonable pensions expectations of B.C. teachers. We want a fair hearing, and the prospect of ending a career in dignity.

NO INCREASE NO WORK?

The following special resolution is to be placed before the Annual General Meeting by the Pensions Committee:

That the BCTF declare now that, unless the Federation receives guarantees that substantial improvements in pensions legislation will be introduced to the 1971 session of the Legislative Assembly, this Annual General Meeting directs the Executive Committee to call for work-stoppages or other sanctions to compel governmental attention to the reasonable proposals the BCTF has advanced for improving teachers' pensions.



RETURN REQUESTED 105 - 2235 BURRARD STREET VANCOUVER 80, B.C.

We're skeptical

Several MLA's have expressed approval of the BCTF objectives in pensions, but they have tempered their support with expressions of concern about the financing of the proposals. The Pensions Fund as of February 1970 was valued at \$163 million and pensions paid totalled \$6 million per year, considerably less than the annual interest earnings of the Fund.

If legislators are concerned about the ability of the Fund to pay pensions in the future then they should look to their own role at the present time.

The Teachers' Pensions Fund is invested by government and 99.95% of the assets are British Columbia bonds. Yet one government backbencher is quoted in the press as saying, 'With inflation running rampant and interest rates running so high, it is almost impossible to sell bonds today . . . Now nobody wants to buy bonds.'

The Teachers' Pensions Fund and other captive funds are used then to purchase what others reject! If government really worries about the Fund should it not seek more lucrative and diversified investments for the contributors?

Alternatively, perhaps now is the time for government to start putting into the Fund some of its shortages of the past decade. Since 1961 government total contributions have been pegged at \$281 per teacher while the teachers' contributions have increased.

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Provinces vary in their methods of financing teachers' pensions. Some governments contribute nothing but a promise. Ontario with approximately four times as many teachers as British Columbia has a government contribution of \$49 million this year compared to a government contribution of some \$6 million in British Columbia.

Legislators worried about financing pension improvements have, then, two recourses open to them — increase the investment yield, or increase the government contribution. Meanwhile, teacher contributors and pensioners are skeptical. They believe that the prime purpose of the pensions fund — to support adequate pensions for retired teachers — has been subordinated by the incidental value of a pension fund — to provide captive funds for public investment.—D.J.G.

Older retired teachers

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Hundreds of retired teachers in British Columbia are living at a bare subsistence level on pensions that are not adequate, in some cases, to cover rent costs.

The following are extracts from letters written by pensioners on small incomes to the BCTF.

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you have my permission to show this letter to the Minister of Education if you think it will help to obtain better pensions for those of us who were unfortunate enough to be born 20 years too soon.

I retired in June 1949 after teaching 29 years in B.C. My pension now is \$159.10 . . . I wish you every success in your efforts on behalf of indigent teachers.

Months of effort . . .

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JANUARY 7, 1970: Further discussion with Mr. Forrest. The reaction appeared to be favorable to most of the proposals.

JANUARY 20: Meeting with Mr. Black to present supplementary information promised from earlier meeting. Attitude was cool and noncommittal.

JANUARY 23: Letter to Premier requesting a meeting.

JANUARY 24: Representative Assembly debated and approved the program of the Pensions Committee.

FEBRUARY 3: Questionnaire to random sample of active teachers aged 60-65 years to determine the principal reasons why these teachers were continuing in service.

FEBRUARY 9-12 (and other dates): Meetings with MLA's and Ministers. All members have received the pensions brief and most members have been willing to meet BCTF representatives to talk about pensions.

FEBRUARY 21: Brief presented to the BCSTA Executive Committee. Several individual expressions of support were received, but the meeting produced no general recommendation.

FEBRUARY 17: Representatives of other 'captive' plans report that they have no indication of changes in their legislation.

MARCH 6: BCTF notified by teacher, who was notified by his MLA, that the Minister stated there would be no changes in the Teachers' Pensions Act.

END: NO LEGISLATION.

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That's official — or unofficial, depending on how you treat the source.

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But a member of the Federation had no such problem when he wrote his MLA asking for the same information.

He got word back stating that Provincial Secretary Wesley Black had informed him that there would be no changes in teachers' pensions this year, although there may be some next year.

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The chain of command from Minister to backbencher to single teacher to the representatives of 22,000 teachers is unusual, to say the least,' says President Jim Killen.

'At press time the majority shareholders of the \$163 million fund still have had no oral or written notice of the government's position.'

Full pension at 60 sought

One of the pension improvements sought by the Federation would enable teachers to retire on full pension at age 60.

At present teachers may retire anytime between 60 and 65, but do not qualify for full pensions until age 65.

The Pensions Committee's brief to the provincial government states that many veteran teachers

have to postpone retirement plans because of the inadequacy of their pension prospects.

This contention was borne out in a recent survey of 100 teachers who are eligible to retire this year.

The survey found that 56 of the first 85 to respond will not retire this year, but that only 9 of them will continue to teach because they want to do so.

The rest will continue to teach because they believe the pensions they would receive if they did retire are inadequate.

The pensions brief stresses that teaching is a demanding occupation, and that rapid social and technological changes are increasing the demands made on teachers.

The brief continues, 'No one, be it the public, the teacher, or the student, benefits from the services of a teacher who should have retired but lacks a feasible option to continue employment.'

The brief also points out that the supply of teachers is no longer a reason for policies designed to discourage teachers from retiring.

'The province with the most highly-qualified teaching force in the nation does not need to defer teacher retirement,' it states.

Gov't cancels NFB charge

The federal government has announced the cancellation of the service charge instituted recently by the National Film Board.

Last week the Canadian Teachers' Federation sent the following nightletter to the various provincial teachers' organizations:

'Secretary of State has announced cancellation of NFB service charge. Has acknowledged intensity of concern expressed by teachers. It is not clear whether all conditions of resumption of service are satisfactory. Are pursuing enquiries and will inform you. Your support for our campaign greatly appreciated.'

TABLES TELL THE STORY

The tables below contained in the brief to government illustrate conclusively the deficiencies in the British Columbia Teachers' Pensions Plan.

The following example of the reduction in income that strikes retiring teacher in British Columbia illustrates how the present deficiencies in the Pensions Plan accumulate to provide a devastating blow to the economic status of the retiring teacher and his dependents.

VANCOUVER TEACHER WITH MASTER'S DEGREE AND 35 YEARS SERVICE RETIRING IN 1969 AT AGE 60 YEARS — WIFE AGED 55			
	Per Year	Per Month	Percent
Final Salary	\$12644	\$1055	100.0%
10-year average	9408	784	74.3%
Total pension including annuity	5016	418	39.0%
Deduct Canada Pension offset	4929	411	38.8%
Deduction produced by selecting a plan to leave half-benefit (\$2075) to widow	4150	346	32.8%

The British Columbia teacher would receive a higher pension if he retired, with the same income and service, at age 60 from almost any other jurisdiction in teaching or the public service.

COMPARISON — VANCOUVER TEACHER — HIGHEST CLASSIFICATION (PA MASTER'S) 35 YEARS OF SERVICE RETIRING AT AGE 65 — WIFE AGED 60

Province or Jurisdiction	Single Life	Plan Providing Half Pension to Widow	Widow's Pension	Monthly Amt. During Life of Pensioner
B.C. teacher	\$6100	\$4941	\$2471	\$412
Alberta teacher	7700	6606	3303	551
Saskatchewan teacher	5869	5869	2934	489
Manitoba teacher	6668	5734	2867	478
Ontario teacher	7102	7102	3551	592
Quebec teacher	7499	7499	3749	625
New Brunswick teacher	7709	7709	3854	642
Nova Scotia teacher	7502	7502	3751	625
B.C. Civil Servant	6517	6517	3259	543
B.C. Hydro	6667	5524	2762	463
Federal Civil Servant	7292	7292	3646	608

* Canada (or Quebec) Pension offset factor of between \$12 and \$15 applied when pensioner reaches age 65.

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Province or Jurisdiction	Single Life	Plan Providing Half Pension to Widow	Widow's Pension	Monthly Amt. During Life of Pensioner
B.C. teacher	\$4929	\$4150	\$2075	\$346
Alberta teacher	4886	4296	2148	358*
Saskatchewan teacher	6000	6000	2934	500*
Manitoba teacher	4514	3837	1919	320*
Ontario teacher	6392	6392	3195	533
Quebec teacher	7644	7644	3822	637*
New Brunswick teacher	7815	7815	3908	651*
Nova Scotia teacher	7644	7644	3822	637*
B.C. Civil Servant	6789	6789	3395	566*
B.C. Hydro	6667	5879	2940	490
Federal Civil Servant	7434	7434	3717	620*

* Canada (or Quebec) Pension offset factor of between \$12 and \$15 applied when pensioner reaches age 65.

BCTF lawyers check legality of Govt. action

The BCTF may attempt to sue the provincial government over its management of the Teachers' Pensions Plan.

The Federation's solicitors have been asked to suggest courses of action to clarify certain anomalies in the pension plan.

There are two main concerns. The first is whether or not there is a conflict of interest when a government representing all the people of the province serves as a trustee of funds belonging to some of the people and invests all those funds in one type of security — bonds that it guarantees itself.

The other question is whether or not the government has adhered to the provisions of the Teachers' Pensions Act. The Act calls for valuations of the pensions fund every three years, but the last and only valuation report made available to the BCTF was for a valuation as at December 31, 1962.

A subsequent report, prepared when the Canada Pension Plan was instituted, is dated December 10, 1965. The latest known report, supposedly a valuation report, is dated March 12, 1969, but it has not yet been released to the BCTF despite repeated requests.

One possible legal action is to seek a fiat to sue the government. On most matters the government

is reluctant to grant this permission. However, the issue of the government's buying and selling its own securities with other people's money is of such public importance that an exception may be made.

Another possibility is to seek a declaratory judgment from a Supreme Court judge about the questionable issues. Such a judgment would be a moral judgment, but it would not redress the wrong.

IT DEPENDS ON THE PLAN

In 1973 you conclude your career as a Cabinet Minister of the provincial government. Your career lasted 21 years. You are 55 years old, married with a wife five years younger than yourself. You are entitled to a pension:

Monthly allowance \$1145.00
 Widow's allowance 572.50

In 1973 you conclude your career as a senior educator in the civil service. Your career lasted 35 years. You are 55 years old, married with a wife five years younger than yourself. You are entitled to a pension:

Monthly allowance \$ 875.00
 Widow's allowance 437.50

In 1973 you conclude your career as a senior educator employed by a school board. Your career lasted 35 years. You are 55 years old, married with a wife five years younger than yourself.

You are NOT entitled to a pension.

If you retire and wait until your 60th birthday, you will be entitled to:

Monthly allowance \$ 388.00
 Widow's allowance 194.00

If instead of being 55 years of age in 1973 you are 60 years old, you will be entitled to a pension:

Monthly allowance \$ 422.00
 Widow's allowance 211.00

Austin Raham nominated for executive committee

Austin M. Raham of Ft. St. John was inadvertently omitted from the list of nominees for Member-at-Large in the Reports and Resolutions booklet and in the list of candidates in our last issue.

Mr. Raham was nominated for Member-at-Large by the Peace River North Teachers' Association.

We offer our sincere apologies to Mr. Raham and to the Peace River North Teachers' Association for our error.

The following is Mr. Raham's biographical information.



AUSTIN M. RAHAM
 Born Bankend, Saskatchewan; elementary school Saskatchewan and Okanagan, secondary school Summerland and Penticton; teacher training Victoria College 1955-58; B.Ed.(Elem) UVIC 1969; teaching experience — MacDonald School, Summerland (all intermediate subjects, 7 years); Port St. John Central Elementary School (vice-principal 2 years, principal since 1966); member agreements committee 1 year, chairman 3 years; chairman Education Week committee Summerland T.A.; member agreements committee 6 years, Peace River N.T.A., president 1 year, teacher rep. joint (teacher-board) committee 2 years, secretary 1 year; member BCTF Steering Committee for one AGM; member District Council 2 years; Geographical Representative for PRN 1968-70; in community, vice-president Peace Country Arts Festival Association 2 years. Nominated by Peace River North Teachers' Association.

the Annual General Meeting.

For President
JAMES W. KILLEEN
ADAM G. ROBERTSON
For First Vice-President
GARY ONSTAD
MISS FRANCES M. WORLEDGE

For Second Vice-President
LOUIS B. BEDUZ
W. G. (Dick) DUNLOP
GLENN S. HANNAH
ROBERT M. WILSON

For Member-at-Large
NELSON E. ALLEN
ALLEN BLAKEY
RONALD BROWN
LARRY T. DAVIES
J. GILBERT

JOHNSTON
W. DONALD
JORGENSEN
SAM MCASKIE
JAMES D.

MacFARLAN
HARRY PEEBLES
AUSTIN RAHAM
MRS. LORNA ROBB
THOMAS G. RUSSELL
ROBERT M. WILSON

LIST OF NOMINEES
 The complete list of nominees is as follows. Additional nominations may be made from the floor of

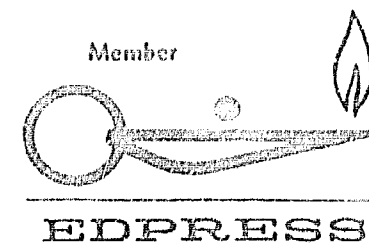
Sydney site of WCOTP

The annual assembly of WCOTP (World Confederation of Organizations of the Teaching Profession) will be held August 4-12 in Sydney, Australia.

BCTF members who will be in Sydney at that time and would like to attend the assembly as observers are asked to contact the BCTF office before March 26.

Observers may participate in group meetings but are not eligible to speak or vote in the plenary sessions.

Editor
K. M. AITCHISON
Assistant Editor
JOYCE GARIEPY



105 - 2235 Burrard Street, Vancouver 9, B.C.

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Federal Civil Servant	7434	7434	3717	620*

* Canada (or Quebec) Pension offset factor of between \$12 and \$15 applied when pensioner reaches age 65.

BCTF lawyers check legality of Govt. action

The BCTF may attempt to sue the provincial government over its management of the Teachers' Pensions Plan.

The Federation's solicitors have been asked to suggest courses of action to clarify certain anomalies in the pension plan.

There are two main concerns. The first is whether or not there is a conflict of interest when a government representing all the people of the province serves as a trustee of funds belonging to some of the people and invests all those funds in one type of security — bonds that it guarantees itself.

The other question is whether or not the government has adhered to the provisions of the Teachers' Pensions Act. The Act calls for valuations of the pensions fund every three years, but the last and only valuation report made available to the BCTF was for a valuation as at December 31, 1962.

A subsequent report, prepared when the Canada Pension Plan was instituted, is dated December 10, 1965. The latest known report, supposedly a valuation report, is dated March 12, 1969, but it has not yet been released to the BCTF despite repeated requests.

One possible legal action is to seek a fiat to sue the government. On most matters the government

is reluctant to grant this permission. However, the issue of the government's buying and selling its own securities with other people's money is of such public importance that an exception may be made.

Another possibility is to seek a declaratory judgment from a Supreme Court judge about the questionable issues. Such a judgment would be a moral judgment, but it would not redress the wrong.

IT DEPENDS ON THE PLAN

In 1973 you conclude your career as a Cabinet Minister of the provincial government. Your career lasted 21 years. You are 55 years old, married with a wife five years younger than yourself. You are entitled to a pension:

Monthly allowance \$1145.00
Widow's allowance 572.50

In 1973 you conclude your career as a senior educator in the civil service. Your career lasted 35 years. You are 55 years old, married with a wife five years younger than yourself. You are entitled to a pension:

Monthly allowance \$ 875.00
Widow's allowance 437.50

In 1973 you conclude your career as a senior educator employed by a school board. Your career lasted 35 years. You are 55 years old, married with a wife five years younger than yourself.

You are NOT entitled to a pension.

If you retire and wait until your 60th birthday, you will be entitled to:

Monthly allowance \$ 388.00
Widow's allowance 194.00

If instead of being 55 years of age in 1973 you are 60 years old, you will be entitled to a pension:

Monthly allowance \$ 422.00
Widow's allowance 211.00

Austin Raham nominated for executive committee

Austin M. Raham of Ft. St. John was inadvertently omitted from the list of nominees for Member-at-Large in the Reports and Resolutions booklet and in the list of candidates in our last issue.

Mr. Raham was nominated for Member-at-Large by the Peace River North Teachers' Association.

We offer our sincere apologies to Mr. Raham and to the Peace River North Teachers' Association for our error.

The following is Mr. Raham's biographical information.

AUSTIN M. RAHAM

Born Bankend, Saskatchewan; elementary school Saskatchewan and Okanagan, secondary school Summerland and Penticton; teacher training Victoria College 1955-58; B.Ed.(Elem) UVic 1969; teaching experience — MacDonald School, Summerland (all intermediate subjects, 7 years); Fort St. John Central Elementary School (vice-principal 2 years, principal since 1966); member agreements committee 1 year, chairman 3 years; chairman Education Week committee Summerland T.A.; member agreements committee 6 years, Peace River N.T.A., president 1 year, teacher rep. joint (teacher-board) committee 2 years, secretary 1 year; member BCTF Steering Committee for one AGM; member District Council 2 years; Geographical Representative for PRN 1968-70; in community, vice-president Peace Country Arts Festival Association 2 years. Nominated by Peace River North Teachers' Association.



the Annual General Meeting.

For President
JAMES W. KILLEEN
ADAM G. ROBERTSON
For First Vice-President
GARY ONSTAD
MISS FRANCES M. WORLEDGE

For Second Vice-President
LOUIS B. BEDUZ
W. G. (Dick) DUNLOP
GLENN S. HANNAH
ROBERT M. WILSON

For Member-at-Large
NELSON E. ALLEN
ALLEN BLAKEY
RONALD BROWN
LARRY T. DAVIES
J. GILBERT

JOHNSTON
W. DONALD JORGENSEN
SAM McASKIE
JAMES D. MacFARLAN

HARRY PEEBLES
AUSTIN RAHAM
MRS. LORNA ROBB
THOMAS G. RUSSELL
ROBERT M. WILSON

LIST OF NOMINEES

The complete list of nominees is as follows. Additional nominations may be made from the floor of

The brief presented to the provincial government last fall by the Pensions Committee asked for 10 amendments to the Teachers' Pensions Act

SOME STANDARD PROVISIONS OF PENSION PLANS ACROSS CANADA	1	2	3	4	5	6
	All Years of Service Earn the Same Amount of Pension	Long-service Employees Aged 60 Receive 2% per Year Pensions	Final Average Salary is Computed on Fewer Than 10 Years	All Salary is Countable for Calculating Pensions	Widow's Allowance is Available Without Immediate Reduction of Pensioner's Allowance	Pension Subject to Index Relating Payments to Living Costs
BRITISH COLUMBIA TEACHERS	NO	NO	NO	NO	NO	NO
Alberta teacher	Yes	No	Yes	Yes	No	No
Saskatchewan teacher	Yes	Yes	Yes	No	Yes	No
Manitoba teacher	Yes	No	No	Yes	No	No
Ontario teacher	Yes	Yes	Yes	Yes	Yes	No
Quebec teacher	Yes	Yes	Yes	Yes	Yes	Yes
Nova Scotia teacher	Yes	Yes	Yes	Yes	Yes	No
New Brunswick teacher	Yes	Yes	Yes	Yes	Yes	No
Federal Civil Servant	Yes	Yes	Yes	Yes	Yes	Yes
British Columbia Civil Servant	Yes	Yes	No	No	Yes	No
MAJOR PROPOSALS AS THEY APPEAR IN THE BCTF BRIEF	<ul style="list-style-type: none"> • eliminate any difference in the benefit formula for service before and after January 1, 1961 (see 1 above); • allow retirement at age 60 or after 35 years of service with full pension rights consisting of a retirement allowance of 2% of the final average salary for each year of service (see 2 above); • define the final average salary as the average of the best 50 months (see 3 above); • remove the maximum countable salary limit (see 4 above); • provide an allowance of 50% to the widow or dependent widower with no reduction of the allowance payable to the pension in his lifetime (see 5 above); • ensure that the allowances are adjusted annually to combat erosion by inflation by the application of an index based upon the Average Weekly Wage in British Columbia (see 6 above); • provide for changes in the section dealing with the reinstatement of previous service in British Columbia by repayment of refunds with interest; • expand the right to contributors to purchase service pension credit for teaching service outside British Columbia; • reduce the penalties that are applied to pensioners who are temporarily re-employed as teachers; • provide for a 50% employer contribution to fees for medical coverage for pensioners. 					

***Do you want a fair deal on pensions?
Instruct your AGM delegate to
support the Pensions Committee's
special resolution that appears on
page one of this Newsletter.***