

Protecting the pensions and enhancing the quality of life for all OMERS pensioners.



MROO

Municipal Retirees
ORGANIZATION ONTARIO

MARCH 2015

NEWSLETTER FOR MEMBERS

IN THIS ISSUE...

President's Message

221 Helps Seniors Find Assistance and Home Care

Your Will and Power of Attorney: Get It Done!

Facts About RRSPs

Canada's Retirement Income System Ranks Well Internationally

The Case for Lower Minimum RRIF Withdrawals

Remember These

Weed'em and Reap

MROO Welcomes New OMERS Board Member, David Tsubouchi

The Value of a Defined Benefit Pension Plan

Water, Water, Everywhere - Part 2

MROO Retiree Benefits Plan

Notice of the Annual Meeting of the Board

Notice of Director Elections

2015 MROO Scholarship Application Criteria and Application Form

REMINDER!

IF YOU MOVE, please let us know your new address (and where you are moving from). Just leave a message at 1-800-595-4497 or mroo@istar.ca.

Remember, telling OMERS is not the same as telling MROO. OMERS can't give us your personal information.

MROO is keeping you informed – for a lifetime.

PRESIDENT'S MESSAGE

Canadian law fails to protect pensioners when a company goes bankrupt

The Government of Canada must amend the current laws that put pensioners and pension plans at the bottom of the heap when the assets of bankrupt companies are divvied up.

The Canadian Federation of Pensioners (CFP) contains 21 pensioner organizations (MROO is one of them) representing over 256,000 pensioners across Canada. The CFP has tried frequently and valiantly, but unsuccessfully, to convince the Government of Canada that the current bankruptcy law is outdated and unfair.

Take Nortel. At one time, Nortel employed many thousands of people in Canada... book-keepers, programmers, executives, stock-room shippers, the full range. In 2009, after several years of bad news and crashing share value, Nortel declared bankruptcy.

By that time, Nortel owed a bundle to lenders and unpaid suppliers, as well as to employees and to the pension fund. The company had failed to put enough money into the fund to keep its promise to its retirees. It could not pay the promised pensions for the rest of its retirees' lives.

The company did have some assets, not only hard goods but immensely valuable patents on its software and inventions. All these years later, the bankruptcy Courts are still beavering away to cash in and divvy up Nortel's assets. But the current law puts the repayment claims of lenders and suppliers ahead of the pension promise to Nortel retirees.

The result: Nortel pensioners are only getting less than 70 % of the pensions they were promised (and no inflation indexing).

How about Stelco, once the pillar and pride of Hamilton and the Canadian steel industry? After years of slipping profitability, the company was restructured in 2006 and sold in 2007 to the giant US Steel company. In the process, Stelco (renamed US Steel Canada) took on a huge loan from the US parent company. It now seems apparent that US Steel might want the relatively new Nanticoke works on Lake Erie, but not the elderly Hamilton works or its thousands of pensioners in Hamilton.

The CFP has tried frequently and valiantly, but unsuccessfully, to convince the Government of Canada that the current bankruptcy law is outdated and unfair.

continued on page 2 ●●

PRESIDENT'S MESSAGE CONTINUED

The "new" Stelco has now filed for creditor protection. Like Nortel, four of its six pension plans were underfunded. And guess what? Under current Canadian law, the first obligation is to pay back the US head office, not to make good on the pension promise to tens of thousands of Hamiltonians and Ontarians.

Perhaps it was not an intentional plan by the US Head Office to leave Stelco pensioners in the lurch. But ask yourself this... would you want to be a Stelco pensioner right now?

This story repeats itself again and again. Indalex in Brampton was brought out of bankruptcy by a huge loan from its US Head office. When the Canadian company gave up the ghost a second time, the United Steelworkers – supported by the CFP – took the pensioners' case all the way to the Supreme Court of Canada. No luck. The law is clear, said the Court; paying back the US head office has precedence over the pensioners. Pensions cut.

Is there more to come? Sears Canada appears to be gradually closing up shop and there are concerns about General Motors Canada. Big forestry companies – which once offered pensions on which dozens of northern communities depend – have been on the ropes.

OMERS is solid; a pool of 1000 local government employers is not about to become bankrupt. A huge independent professionally invested pension fund, with 50/50 employer/employee contributions, is not going broke. OMERS has its challenges, yes; but it is not going to leave us in the lurch like Nortel or Stelco.

So, why should we care?

These are ordinary retirees, just like you and I. There but for fortune go we. How would we like it if our pension were cut to a fraction of what we had been promised? And - let's be frank - how supportive of pensions for municipal employees are people likely to be when they are seeing their own pensions cut?

Look at your neighbours, your family, your friends. Is it fair? Should they have to live in fear that their retirement livelihoods will be axed by decisions often made far away and over which they have no control?

Canada will be voting in 2015. Which party or parties running to be the next

Government of Canada will change that law? Which will improve the outcome for pensioners in the event of bankruptcy?

There is a Provincial angle to this issue too. Most pension plans in Ontario are regulated by an arm of the Government of Ontario, the Financial Services Commission of Ontario (FSCO). FSCO has a responsibility to ensure that single company pension plans put enough money into their pension funds, so that their retirees are protected even if the company gets into trouble.

After the 2008 financial collapse, company balance sheets got a bit complicated and many company pension funds fell behind. But that was seven years ago.

Make protecting pensioners a priority! That's not too complicated, is it?

William Harford, President

**The law is clear,
said the Court;
paying back the
US head office has
precedence over
the pensioners.**

MROO 2015 Zone meetings: Come one, come all!

Each Spring, MROO hosts an annual meeting for our members in each of our nine zones. The list of dates and places is included with this newsletter.

These meetings are for you, our members, and for any fellow OMERS retirees you bring along. Believe it or not, some OMERS pensioners still don't know about MROO! They don't know what a good deal they get for their **once-in-a-lifetime** \$25 membership fee. They don't realize that MROO voices the concerns not only of our 17,000 members but also for all 130,000 OMERS pensioners.

These annual meetings are MROO's biggest investment of funds and energy each year. The more MROO members that attend, the more worthwhile these meetings are.

A good free lunch, interesting speakers, seeing retired colleagues again...what's not to like? **TRY IT!** Please join us.

211 HELPS SENIORS FIND ASSISTANCE AND HOME CARE

Over 80,000 people called 211 Ontario last year to investigate financial and income assistance. Many calls were from seniors and caregivers wanting to discover what practical help like home support was available, how to access it, and if financial assistance is available. By calling 2-1-1 and speaking to a knowledgeable information and referral specialist, seniors can learn about the home support programs and financial assistance that can help them stay in their own home safely and improve their quality of life.

Navigating and applying for services are common challenges, especially when seeking out government benefits. 211 also refers callers to agencies that offer help to fill in applications and tax clinics for low-income people of every age.

For low-income seniors, 211 can provide information about the Guaranteed Income Supplement, GIS-Allowance and the Guaranteed Annual Income System. There are also a variety of financial and other types of assistance for veterans of war.

Other potential sources of financial help and services which depend on individual eligibility.

- Ontario Drugs Benefits program
- Assistive Devices Program
- Community Care Access Centres for support services such as
 - Homemaking
 - Caregiver relief
 - Friendly visiting
 - Home maintenance and repair services
- Home and Vehicle Modification Program, March of Dimes
- Ontario Renovates Program
- Low Income Energy Assistance Program
- Meals on Wheels
- Good Food Box
- Farley Foundation



CUPE Ontario President Fred Hahn speaks in defence of defined benefit pensions at the MROO members meeting in Caledon

Community legal clinics, which offer services to all low-income seniors, can help if you are having difficulty applying for a tax refund or receiving your pension, or you need help preparing a will or a power of attorney form. Some Ontario cities also have Wills on Wheels, a directory of independent lawyers who offer in-home will and power of attorney preparation services.

For information about services and programs for your situation, call 2-1-1 from anywhere in Ontario. 211 is the helpline for information and referral to community, social

By calling 2-1-1 and speaking to a knowledgeable information and referral specialist, seniors can learn about the home support programs and financial assistance.

and health services or search online at www.211ontario.ca. The 211 helpline is answered live 24 hours a day, 7 days a week, and service is available in over 150 languages.

(thanks for this article to CARP. Ontario 211 is supported by the United Way)

OLD AGE SECURITY AND CANADA PENSION PLAN 2015 PAYMENT DATES

If you have signed up for direct deposit, your Old Age Security (OAS) and Canada Pension Plan (CPP) payments will be automatically deposited in your bank account on these dates:

January 28

February 25

March 27

April 28

May 27

June 26

July 29

August 27

September 28

October 28

November 26

December 22

YOUR WILL AND POWERS OF ATTORNEY: GET IT DONE!

MROO believes strongly that all retirees should have wills and powers of attorney properly prepared and up to date.

MROO has made arrangements with two well-respected law firms, which specialize in this area of law.

Frank Shostack, whose articles have appeared in our newsletter, is a partner in the law firm of Black Sutherland. Frank can be reached at fshostack@blacksutherland.com or 416-840-1343.

Eileen Quinn, who has spoken at several MROO zone meetings, operates Quinn Estate Law and can be reached at equinn@quinnestatelaw.ca or 289-239-7772.

Both firms have agreed to make their services available to MROO members to prepare wills and powers of attorney at advantageous prices, and have procedures in place to help you throughout most of Ontario.

Just to be clear: while MROO has confidence in Black Sutherland and Quinn Estate Law, MROO would not be involved in any way whatsoever in your relationship with these firms or in your affairs. You may decide on another firm to draw up these all-important documents for you.

Wills state your wishes for the disposition of your assets

when you die. Powers of attorney state your wishes for decision-making (either for finances/property or for your personal care) when you are still alive but unable to make those decisions for yourself. For most of us ordinary people, these decisions only involve our spouses and/or our children.

All retirees should have wills and powers of attorney.

But death - and ugly family disputes as you become incapacitated and after your death - are not just something that happens in Hollywood!

Our message

Wills and powers of attorney are not just important for others; they are important for you! Don't put it off! Get it done and get it done right.

SKIPPING CHURCH



As Reverend Norton woke up one exceptionally beautiful early spring Sunday, he knew he just had to play golf.

So he told his Associate Pastor that he was feeling sick and persuaded him to take the service for him that day.

As soon as he got off the phone, Reverend Norton headed out of town to a golf course about forty miles away. This way he knew he wouldn't accidentally meet anyone from his parish.

Setting up on the first tee, he was alone and revelling in the prospect of a beautiful morning's game.

Looking down from the heavens, Saint Peter leaned over to God and exclaimed, "You're not going to let him get away with this, are you?"

God just sighed.

Just then Father Norton's shot flew straight towards the pin, dropping just short of it, rolled up and fell into the hole. IT WAS A 300 YARD HOLE IN ONE!

Surprised, St. Peter asked God, "Why did you let him do that?"

Smiling, God replied, "Who's he going to tell?"



Lunch at the October 2014 members meeting in Niagara Falls

FACTS ABOUT RRSPS

SOURCE: RISKY BUSINESS, HUGH MACKENZIE, CANADIAN CENTRE FOR POLICY ALTERNATIVES, MARCH 2014

Many MROO members, like many Canadians, have put savings in Registered Retirement Savings Plans, an individual tax-sheltered saving method first introduced in Canada in 1957. **Undoubtedly, putting money aside for retirement is better than not saving for retirement.** But are RRSPs the best way to save for retirement? A recent report from the Canadian Centre for Policy Alternatives cast some interesting lights on this question. Below are some excerpts.

In 2010, 16% of tax filers had incomes over \$80,000. They accounted for 30% of RRSP contributors and 57% of RRSP contributions. 66% of tax filers over \$80,000 made RRSP contributions.

By contrast, tax filers with incomes between \$40,000 and \$60,000 made up 25% of tax filers and 27% of RRSP contributors. But they accounted for only 16% of contributions. 39% of tax filers with incomes between \$40,000 and \$60,000

	<20,000	20-40,000	40-60,000	60-80,000	80,000 +
% of tax filers	10%	35%	25%	14%	16%
% of contributors	5%	20%	27%	19%	30%
% of contributions	2%	8%	16%	17%	57%
% contributing	19%	21%	39%	51%	66%

In 2011, more than 21 million Canadians had unused RRSP contribution room. Unused contribution room exceeded \$683 billion. Since 2007, unused RRSP contribution room has increased by 38%.

As of the end of 2011, the Canadian mutual fund industry managed funds totaling \$763 billion. The major banks accounted for 43% of that total; independent fund managers 49%; life insurance companies 4.6%; and others — mostly smaller financial institutions, unions and associations — 3%.

The asset-weighted average fee charged for managing this

For example, for an individual who contributes a constant percentage of his or her income over a working lifetime, from age 25 to age 65, investment management fees at the Canadian mutual fund average of 2.07% would soak up 36% of his or her retirement savings. Savings at retirement would be 33% lower than they would have been if the funds had been invested in ETFs with average fees of 0.23%.

A study by the pension performance measurement firm CEM recently compared 20-year returns earned by large defined benefit pension plans and large defined contribution pension plans in the United States. They found that the large defined benefit plans (Editor's note: like OMERS or the CPP) outperformed the large defined contribution plans over a 20-year period by 1.51% annually. A study published by Boston College in the United States in 2006 found a 1.8% annual differential between returns on 401(k) plans (equivalent to Canadian defined contribution pension plans or group RRSPs) and returns on IRAs (Individual Retirement Accounts, equivalent to Canada's individual RRSPs).

Undoubtedly, putting money aside for retirement is better than not saving for retirement.

money, including brokerage fees, came to a total of 2.07%. Canadian bond index ETFs (Exchange Traded Funds) typically charge management fees of 0.25% to 0.30%. The equity index ETF market in particular has become much more competitive in recent years. Canadian equity index ETFs carry much lower fees — as low as 0.2%

This means that the asset-weighted cost differential of 1.84% comes directly out of market returns.

While 1.84% does not immediately look like a substantial number, thanks to the power of compound arithmetic (and accounted for over a lifetime of retirement savings), it accumulates to represent a massive drain on potential retirement income.

Conclusion

These dramatic differences in retirement income security are entirely structural. They are attributable to a retirement income system design (RRSPs) that delivers lower overall returns, that rewards inefficiency, and that protects high costs at the expense of Canadian employees saving for their retirement.

With pension plan coverage now below 20% of private sector workers, the RRSP system is the only game in town for most private sector workers in Canada, and it is clearly not working.

CANADA'S RETIREMENT INCOME SYSTEM RANKS WELL INTERNATIONALLY

SOURCE: BENEFITS CANADA OCT.14, 2014

Canada's retirement income system maintained its B grade in the 2014 edition of the Melbourne Mercer Global Pension Index (MMGPI), reinforcing its position as one of the leading retirement income systems in the world. Denmark continued to retain the top position in 2014.

The MMGPI measured 25 retirement income systems against more than 50 indicators under the sub-indexes of adequacy, sustainability and integrity. Canada's ranking is seventh.

"Canada's retirement system continues to be one of the

strongest retirement systems in the world by providing a combination of universal pensions, income-tested employer pensions, individual RRSPs and individual TFSAs, although there is always room for continued improvement," according to Scott Clausen, a partner in Mercer's retirement business in Toronto.

"Canada's retirement system continues to be one of the strongest retirement systems in the world..."

How can Canada's retirement savings system improve? According to the MMGPI, the the Canadian system could be improved by doing the following:

- increasing the coverage of employees in workplace pension schemes, through the development of an attractive product for those without an employer-sponsored scheme;
- increasing the level of household savings for middle-income earners;
- increasing the labour force participation rate among older workers.

"The retirement income of Canadians could also be improved by a reduction in the level of investment management fees charged under capital accumulation plans," he adds.



At the conference of the Ontario Municipal Human Resources Association (from left) MROO president Bill Harford, MROO's retirement planning expert Phil Hollins, and zone 2 Director Lou Rivard

Let's Get Together – MROO Muffin Mornings

Elsewhere in this newsletter is your invitation to this Spring's annual MROO zone meetings. Every MROO member is invited.

But it's a big province and it's not economical to hold these all-day meetings with lunch everywhere every year. So, here's an alternative. If you live in a smaller centre where no zone meeting is being held, would you like MROO to bring the coffee and muffins and come out to your area?

Do you regularly get together with some other OMERS pensioners? Do you think you could help us to get 15 or 20 people together for a morning? If so, we'd be happy to supply coffee and muffins, news about MROO, and an interesting guest speaker, and spend an hour or two with a group in your area.

Many smaller centres have a number of MROO members and other OMERS retirees. Think about Brockville, Owen Sound, Cobourg, Grimsby, Stratford, Simcoe, Pembroke, Collingwood, North Bay...you name it.

If you would like to help, please call us at 1-800-595-4497. Let's see what we can do.

THE CASE FOR LOWER MINIMUM RRIF WITHDRAWALS

Critics say today's annual minimum withdrawal requirements for registered retirement income funds are too high and create a risk that seniors will run out of money. The argument is that current withdrawal rates were suitable for a time when interest rates were higher and life-

spans were shorter. Here's an example of how a \$100,000 RRIF would be depleted using different interest rate levels and lifespans. Notice how much less depletion of a RRIF there is with an interest rate of 6 per cent and a lifespan of 80 years.

FLAT RATE OF 2%

Age	Withdrawal Rate	Assets	Minimum Required Withdrawal
71	7.38%	\$100,000	\$7,380
80	8.75	57,902	5,066
90	13.62	24,152	3,289
100	20	4,089	818

FLAT RATE OF 4%

71	7.38%	\$100,000	\$7,380
80	8.75	69,966	6,122
90	13.62	36,218	4,933
100	20	7,766	1,553

FLAT RATE OF 6%

71	7.38%	\$100,000	\$7,380
80	8.75	84,215	7,369
90	13.62	53,856	7,335
100	20	14,544	2,909

REGISTERED RETIREMENT SAVINGS PLANS MUST BE CONVERTED INTO RRIFs BY THE END OF THE YEAR IN WHICH YOU TURN 71. JOHN SOPINSKI/THE GLOBE AND MAIL - SOURCE: CONFERENCE FOR ADVANCED LIFE UNDERWRITING QUOTED IN: ROB CARRICK "WHY CANADA NEEDS TO UPDATE ITS RRIF WITHDRAWAL RULES", THE GLOBE AND MAIL

PUBLISHED MONDAY, OCT. 27 2014, 7:29 PM EDT

Advertising in the MROO Newsletter: our policy

While MROO has rarely been approached about advertising, we can accept paid advertisements, subject to certain restrictions. For example, on a couple of occasions, we have carried help-wanted ads where a company was looking specifically for retirees.

We also accept notices, with no charge, from other retiree organizations and other non-profit bodies of general interest to our members.

We would not carry advertisements for alcohol, tobacco, escort services, casinos, investment opportunities, religious or political affiliations, etc.

All third-party notices or advertising is **SUBJECT TO** the fact that newsletter space is typically limited. Our policy also limits the space available for advertising.

REMEMBER THESE?

WITH THE PRICE OF GAS GOING DOWN, CAN WE EXPECT A COMEBACK?



DAUNTING INFERNO



One dark night in a northern town, a fire started inside the sawdust pelletizing plant. In a blink of an eye it exploded into huge flames. The alarm went out to all the fire departments for many miles around.

When the first volunteer fire fighters appeared on the scene, the company president rushed to the fire chief and said, "All our cash and chemical formulas are in the vault in the centre of the plant. They must be saved. I will give \$50,000 to the fire department that brings them out intact."

But the roaring flames held the firefighters off.

More fire departments arrived: the president shouted that the offer was now \$100,000 to the fire department that could bring out the contents of the vault.

From the distance, a lone siren was heard as another fire truck came into sight. It was the nearby rural township volunteer fire company, composed mainly of old-time bush workers well over the age of 65. To everyone's amazement, that little run-down fire engine roared right past all the newer engines.

Without even slowing, it drove straight into the middle of the inferno. The old timers jumped off and fought back the fire on all sides. It was a performance never seen before.

Eventually, they all joined in, extinguished the fire, and saved the vault. The grateful company president announced that for such a superhuman feat he was upping the reward to \$200,000.

The local news reporter captured the old-timers' bravery on film, asking their chief, "What are you going to do with all that money?"

"Well," said the old fire chief, singed and weary, "the first thing we're gonna do is fix the brakes on that truck!"

WEED'EM AND REAP

MROO'S ZONE 9 ALTERNATE DIRECTOR ED DE GROSBOIS RETIRED RECENTLY FROM AN EXECUTIVE POSITION WITH THE CITY OF MISSISSAUGA TO TRY HIS HAND AT ORGANIC FARMING. QUITE A RADICAL LIFESTYLE CHANGE. LAST FALL WE ASKED ED TO GIVE US A FLAVOUR OF HIS MICROFARMING EXPERIMENT.

Four years ago I retired and purchased a century farmhouse with half a hectare of land in Midhurst Ontario. I called it my micro-farm, mostly to humour my 90 year-old mother who had come to live with me a few years earlier. She had been – like many of her generation – born and raised on the family farm, and I think the idea of a few chickens, some apple trees, and a big garden appealed to her.

A year later we had a chicken coop with four beautiful Chantecler hens that could never manage to sort out their pecking order longer than a day. We planted a little orchard with seven dwarf apple trees, three plum trees, two sour cherries and a pear tree – all interspersed with berry bushes like black and red currants, cranberries and gooseberries. And we had a 200 square meter organic vegetable garden, complete with a rabbit-fence perimeter. It was the garden that I found the most challenging and the most rewarding. I rented a rototiller and spent two days churning 14 tons of organic compost into a fairly mediocre soil. If only I had known what I know now – just spread the compost on the ground and worms will do the rototilling for you in a couple of weeks.

The soil in the garden became deep, rich and very black.

We used tons of wood chips as mulch, and in the next years we grew almost all of our own food– our two freezers were full of beans, chard, peas, carrots, beets, and tomato sauce. Our cold cellar was full of apples, pickled beets, tomato relish and berry wine. My mother had a keen interest in environmental sciences, so not only did we grow our food organically, we weaned the old farmhouse onto solar power and geothermal heating.

Today I am out harvesting my sweet potatoes. I have never grown them before but last spring when five little shoots appeared on a specimen left a little too long in the cupboard, I decided to try my hand at growing them. My mother did a bit of research on this and argued that the Midhurst climate was not warm enough to grow sweet potatoes. But they seemed to like the organic soil and a few months later my five little plants have easily produced 10 kilos of sweet potatoes.

I look back at the house and it feels a little empty. Mom passed away in early September and I've been missing her energetic presence and lively conversation. But harvesting the garden has kept me busy and the freezers are full again - and I think someone up in heaven must be smiling about the sweet potatoes.



Members listening intently at the October 1 meeting in Huntsville

MROO WELCOMES NEW OMERS BOARD MEMBER, DAVID TSUBOUCHI



David Tsubouchi, new OMERS AC board member

At its inception in 1977, a MROO priority was to convince the Ontario Government that the board which invests our pension fund and administers our pensions should contain a representative of retirees. In 1992, our wish was granted and MROO has nominated a member of the OMERS Board. Since the new OMERS Act in 2006, that Board is called the OMERS Administration Corporation or OMERS AC Board, and is distinct from the OMERS Sponsors Board, which doesn't actually run the pension plan but makes the high-level decisions like pension plan benefits, contribution rates, and approval of contracts to administer other pension plans.

Since 2006, the Sponsors Corporation - not the Province any more - also appoints the members of the OMERS Administration Board. In fact, a 2012 Provincial study concluded that, while the OMERS constituent groups (like AMO, CUPE, and the retirees, among others) should continue to nominate potential AC Board members, the Sponsors Corporation should provide more specific guidelines for the composition of the AC Board. It is the AC Board's responsibility to invest and grow our \$65 billion pension fund amid the aftermath of the 2008 financial collapse, the longstanding low interest rates, and the increasing international competition for good investment opportunities.

Most recently, the retiree rep has been former City of London budget chief Richard Faber, whose term ended at the end of 2014. Last year, the Sponsors told the OMERS retiree groups (MROO in partnership with the Police Pensioners Association of Ontario and the Association of

Retired Professional Firefighters of Ontario) to name one or more qualified nominees to succeed Faber, and did provide guidelines.

The OMERS retiree groups formed a small committee, which notified thousands of OMERS retirees about the opening, received expressions of interest from dozens of excellently qualified individuals (both OMERS pensioners and others), and interviewed nine extraordinary people. Last September, the retirees groups submitted two names to the Sponsors Board, which subsequently appointed David Tsubouchi, who joined the OMERS Administration Board on January 1.

MROO would like to welcome David to his new role. We are confident that he not only meets the criteria stipulated by the Sponsors, but will communicate well with MROO through his three-year term.

A lawyer by trade, David has been a Markham Town Councillor, an Ontario Cabinet Minister, and CEO of the Ontario College of Trades. He has sat on boards for a long, long list of community organizations and corporations, conducted business internationally, and established business and cultural relationships with several Asian countries. Although he may be close to "retirement age", his busy schedule suggests that retirement is a long way off yet.

MROO would like to express its admiration and thanks to all those MROO members and others who expressed interest in this opening. Retirees could not have failed to be well-represented on the OMERS AC Board. Thank you!



MROO director Giulio Di Bacco thanks Heather Kiteley (centre) from Guaranteed Funeral Deposits of Canada for her presentation in Niagara Falls

THE VALUE OF A DEFINED BENEFIT PENSION PLAN

Have you ever taken a ribbing from relatives or friends about having a good pension plan like OMERS? Sure, most of us have.

Obviously we wish every employee in Ontario could have had a reliable defined-benefit pension plan. That's why MROO joins with the numerous academics, Provincial governments, and the Canadian Labour Congress, in clamouring for an enlarged CPP.

In the meantime, it's worth reminding people that good pension plans are one of the backbones of the Ontario economy. Everyone benefits.

Good pension plans are one of the backbones of the Ontario economy.

A 2013 study commissioned by some of Ontario's largest pension plans - Healthcare of Ontario Pension Plan (HOOPP), Ontario Municipal Employees Retirement System (OMERS), OPSEU Pension Trust (OPTrust) and Ontario Teachers' Pension Plan (OTPP) - tells the story:

- In 2012, Defined-Benefit (DB) pension plans (i.e., plans like OMERS, where the retirees are paid a certain reliable amount every month by the pension plan) paid out \$68-72 billion in pensions
- The VAST MAJORITY - up to 80% - of DB pension plan assets (and therefore pensions) come from investments, NOT from employer contributions or even employee contributions
- Only 10-15% of the members of Defined-Benefit (DB) Pensions tap into the federal Guaranteed Income Supplement (which is a means-tested tax-funded top-up on Old Age Security); 45-50% of all other retirees rely on the GIS
- DB pensioners pay \$14-16 billion a year in taxes (income, sales, property), including the taxes that help to pay the GIS on which other retirees rely
- In Ontario, DB pensioners paid \$6 billion in taxes
- Defined-Benefit pensioners spend about \$63 billion/year on goods and services in Canada. Because we saved and invested via our pension plan throughout our careers, we have money to spend. Because we are confident that our pensions are reliable, we spend it. Because we spend, the rest of the economy benefits.
- In Ontario, DB pensioners spent \$27 billion on goods and services
- DB pensions had the greatest impact on small towns,

forming on average 9% of the total earnings in those communities (versus 6% for large metropolitan areas); in one northern Ontario town, DB pension payments constituted 18% of all income in that community

- Want more? Go to http://www.omers.com/pdf/DB-Plans_Strengthening_CDN_Economy_Summary.pdf

A separate 2013 study, commissioned by Canada's ten largest public pension plans, expanded on the theme:

- These Top Ten plans paid 49% of all non-OAS (i.e., non tax-funded) retirement benefits
- They managed approximately 35 per cent - or \$714 billion - of Canada's total retirement assets
- They hold roughly \$400 billion in Canadian assets, including \$100 billion in real estate, infrastructure and private equity

MROO supports OMERS and defends Defined-Benefit Pension Plans. The next time you get flack from friends and relatives, remember the facts. Everyone benefits.



Director Francine Delcourt thanks guest speaker Karen Huestis at the members meeting in Huntsville in October

WATER, WATER, EVERYWHERE - PART 2: HOW INSURANCE COMPANIES ARE DEALING WITH THE PROBLEM.

TOM GRAVES, VICE-PRESIDENT, MITCHELLABBOTT GROUP HOME AND AUTO INSURANCE BROKERS
(NOTE: PART 1 OF THIS ARTICLE APPEARED IN THE NOVEMBER 2014 NEWSLETTER)

Here's an interesting factoid... there have been an average of 785 natural catastrophes annually over the last 10 years. However, in the first half of 2013 there were 450 natural catastrophes. Global warming and the resulting change in weather patterns are forcing home insurers to change their products, policies and even what we pay for the products.

The insurance industry is reacting quickly to reduce and even sometimes eliminate the risk of water damage losses. The days of inexpensive sewer backup coverage, as well as automatic content limits, are gone. Insurers are introducing special deductibles of \$2,000 when damage has been caused by water, whether by sewer backup or escape from any plumbing system.

The insurance industry is dividing the province into zones with respect to sewer backup coverage; what zone your property is located in will not only determine the cost of sewer backup coverage but also the limits you can buy. Homeowners will also be required to install acceptable preventative measures such as backflow prevention valves on sewer lines or battery backup systems for sump pumps.

Insurers are also introducing coverage sub-limits with respect to below-grade contents (basement). While sub-limits in property policies have been around for years regarding jewelry, stamp collections, etc., now basement contents coverage may be limited to a dollar amount ranging from \$10,000 to \$100,000, depending on the zone you're located in.

As in the past, factors that determined your home premium are still important, such as where you live, the fire protection in your area and the age of your home. Unlike the past however, water damage risk is becoming a huge factor in determining sewer backup premiums. Until a couple of years ago, sewer backup coverage was added to a property policy for an average annual cost of \$30. Now the cost to add this coverage ranges anywhere between \$70 and \$350, with the limits usually reduced.

This year when you receive your property insurance renewal, it is especially important to pay extra attention to the "Water Escape Extension" (Sewer Backup) to see what new limits or restrictions you may have.



A good audience at the October members meeting in Caledon

MROO 2014 Scholarship Recipient



🏆 2014 MROO scholarship recipient Milena Bullen of Ottawa, with grandmother Santa Sadlar

MUNICIPAL RETIREES ORGANIZATION ONTARIO (MROO) RETIREE BENEFITS PLAN

2015 Enhancements, new Manulife App and more!

One of MROO's key objectives in offering the MROO retiree insurance program is to deliver affordable health care benefits that will keep pace with the changing needs of our members during their retirement years. With that in mind, we have enhanced and streamlined our extended health care options and now offer two plans to choose from—a Health Care Plan and a Health and Dental Care Plan. Both plans include optional out-of-province emergency medical coverage with the MROO Annual Travel Plan. MROO insurance plans offer comprehensive coverage, convenient claims handling and reasonable rates, and all of our plans renew for life so you can keep your benefits throughout your retirement.

MROO plans change as the needs of our members grow!

We are pleased to include the following enhancements to the Health Care Plan for 2015:

- Plan Lifetime Maximum – the overall plan maximum will increase from \$300,000 to \$500,000,
- Prescription Drugs – the annual maximum will increase from \$1,700 to \$2,000, and
- Private Duty Nursing – the annual maximum will increase from \$2,500 to \$3,500.

Note to MROO policyholders: For those of you who currently have a MROO Health Care Plan and are enrolled in the MROO Annual Travel Plan, benefits have not changed for 2015. You continue to have emergency medical coverage including benefits for hospital and physicians' services when travelling outside of Ontario.

You spoke and we listened!

During the MROO 2014 Zone meetings, some of our members asked us to look into enhancing our Health Care Plan to include out of Canada medical expenses. We are pleased to announce that starting this year the MROO Health and Dental Care Plan has been enhanced: the exclusion for dental and some medical expenses incurred outside of Canada has been removed. Policyholders may now claim dental expenses and health purchases, such as eye glasses or medical equipment and supplies, made out of Canada or purchased online, up to the same benefit maximums they are covered for in Canada.

You can now use the new Manulife Group Benefits Mobile app for your health and dental claims!

Making claims is now faster, easier and more secure when you have MROO Health and Dental Benefits. Now, you can enjoy the convenience of submitting claims on the go, wherever you have an internet connection.

The Group Benefits Mobile app can be downloaded from all app stores for smart devices:

- Apple App StoreSM
- BlackBerry[®] WorldTM
- Google PlayTM
- Windows[®] Store

The app allows you to:

- Login securely - your personal data is encrypted and kept confidential
- Check out the message centre on the home page
- Submit your claims right from your smartphone or tablet
- View your most recent claims details

You can save on prescription drugs at a Costco Pharmacy!

Did you know that you can save on prescription drugs at a Costco Pharmacy with the MROO Retiree Benefits plan?

Through our Preferred Provider Network relationship, you can benefit from Costco's competitive dispensing fees and drug costs. Costco pharmacy services provide:

- a national presence and convenient access
- pharmacy 'best practices' including:
 - dispensing generics whenever possible
 - dispensing a three-month supply for maintenance drugs
- competitive drug costs and dispensing fees
- pharmacist counselling and support, and
- health and wellness clinics

MROO has you covered!

The MROO retiree insurance program offers the Health and Dental Care Plan, Annual Travel Insurance Plan and more, including the MROO Guaranteed Issue Life Insurance Plan, Convalescent Care Plan (coverage for home care expenses when recovering from an injury or illness) and a selection of standalone travel plan options.

For information about any of our MROO insurance plans please visit www.encon.ca/mroo. If you have any questions please call ENCON Group Inc., MROO's insurance plan administrator, at 1-800-363-7861, or email [ENCON at mroo@encon.ca](mailto:mroo@encon.ca).

NOTICE OF THE ANNUAL MEETING OF THE BOARD

The 2015 Annual Meeting of the Municipal Retirees Organization Ontario Board of Directors will take place on:

DATE: Monday, June 8, 2015
TIME: 9:00 AM
LOCATION: Westin Bristol Place Hotel
950 Dixon Road, Toronto ON

The following items of business will be dealt with:

Guest Speaker

- (i) Receipt and approval of the audited financial statements
- (ii) Approval of the appointment of the Auditors for the next fiscal year
- (iii) Receipt and approval of the report of the Board of Directors for the preceding twelve (12) month period.
- (iv) Consideration and approval of amendments to the Constitution, if any
- (v) Confirmation of amendments, if any, made during the

- year to Bylaws
- (vi) Consideration and approval of Bylaws or amendments to By-Laws, if any
 - (vii) Election of Executive
 - (viii) Such other business as may be introduced and is in accordance with the Letters Patent of the Organization
 - (ix) Questions and answers

Note 1: Any item of business presented by a member other than the Board of Directors must be provided to the Secretary, to the Head Office or to any zone Director, in writing, containing a proposed motion, not later than ten (10) days before the annual meeting.

Note 2: Members are invited to hear the guest speaker and to observe the discussion of business at the annual meeting of the Board. The MROO Constitution provides that members other than directors do not vote on matters presented at the meeting.

NOTICE OF ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS ZONES 2, 4, AND 6

In accordance with the provisions of the Constitution of the Municipal Retirees Organization Ontario, elections will take place at the 2015 annual zone meetings for the positions of Zone Director and Alternate Director in zones 2, 4, and 6.

The dates of these meetings are as follows:

Zone 2 - April 8, 2015 - Four Points by Sheraton, 1150 Wellington St., London ON

Zone 4 - April 15, 2015 - Quality Inn, 1011 Bloor St East, Oshawa ON

Zone 6 - April 28, 2015 - RA Centre, 2451 Riverside Drive, Ottawa ON

The Directors and Alternate Directors elected will hold office for a period of three years, until the next regular election in those zones in 2018.

NOTE: Nominations for the position of Director or Alternate Director must be submitted in writing and received in the MROO office no later than 21 days prior to the annual Zone Meeting at which the election will be held.

Nominations must be signed by the nominator and a second order who must both be full members of MROO residing

within the boundaries of the zone in which the election is to take place, as well as by the nominee. Nominees must live in the zone for which they are nominated and have been full members of MROO for at least two years prior to the nomination. A map showing zone boundaries is available on the MROO website: <http://www.mroo.org/mroo/index.php/the-organization/zone-maps>

- If only one person is validly nominated for either Director or Alternate Director, that person shall be deemed to have been elected.
- If no valid nominations are received by the deadline, the Board may appoint any MROO member residing within the zone.
- If there is more than one valid nominee for either the Director or Alternate Director position, then an election will be held by secret ballot among the members attending the relevant zone meeting.

For a nomination form, or for more information, please contact mroo@istar.ca or 1-800-595-4497

MROO SCHOLARSHIP PROGRAM CRITERIA

The MROO Scholarship program offers \$2000 scholarships for students **entering the second year of a Canadian university or a Canadian community college** or similar recognized Canadian post-secondary institution.

- Three scholarships are available for students from each of our nine zones.
- When fewer than three applications are received from any zone, the “unused” scholarship(s) from that year will be added to the number of scholarships available to applicants from that zone in the following year
- Relatives of current MROO directors or alternate directors are not eligible

In addition to the \$2000 scholarships, **one \$5000 Don MacLeod Leadership Award** will be awarded to the applicant who, in the opinion of the Committee, displays the most significant record of leadership experience.

Applications will be evaluated primarily on the student’s past experience in leadership positions and in service to others, as well as on his/her clear vision for the future and how his/her studies will help “to make a difference”.

- **The following relatives of MROO life members** are eligible: children, grandchildren, nieces, nephews, grand-nieces, grand-nephews.
- Applicants must have a **home address in Ontario**. The Board will identify three applicants per zone, according to their addresses.
- Applicants must submit **proof of acceptance into the second year** at a Canadian university or community college, and a transcript of first year marks
- Applicants must have **demonstrated experience in leadership positions**, such as in sports teams, school bodies, business, musical groups, cultural organizations, community groups, political or religious organizations, charitable bodies, farm organizations, etc.
- Applicants must have **demonstrated a commitment to volunteer service and helping others**
- Applicants must **demonstrate a clear vision for the future**: how they intend to make a difference in the world and in their communities
- In order to demonstrate that they meet these criteria, applicants must **submit a 300-400 word essay**, which summarizes extracurricular activities during their careers, their plans to “make a difference” in the future, and the role of their current program in meeting future goals. **The quality of and the information in the essay are all-important.**

- Applicants must **submit a detailed resume**, showing past volunteer roles, employment, and leadership positions
- The applicant must ensure that his/her application contains **all the necessary attachments** (see the Application Form).

Municipal Retirees Organization Ontario
4094 Tomken Road, Mississauga, Ontario L4W 1J5
1-800-595-4497
mroo@istar.ca
www.mroo.org

A TASTE OF IRELAND ON ST. PATRICK'S DAY CORNERED BEEF AND CABBAGE

Ingredients

- 1/4 cup packed brown sugar
- 2 teaspoons finely grated orange peel
- 2 teaspoons yellow mustard
- 1/4 teaspoon ground cloves
- 1 corned beef brisket with spice packet (2 to 3 pounds)
- 2 medium onions, sliced
- 2 quarts water
- 1 cup apple juice... or beer
- 8 carrots, cut into 3-inch pieces
- 1 small head cabbage

Directions

1. In a small bowl, combine first four ingredients; set aside. In a Dutch oven, place corned beef and seasoning packet. Add onions, water and apple juice; bring to a boil. Reduce heat; cover and simmer 2 to 2-1/2 hours or until meat is tender.
2. Preheat oven to 350°. Remove brisket from cooking liquid and place in a greased roasting pan. Rub sugar mixture over warm meat.
3. Bake 15 minutes. Meanwhile, add carrots to cooking liquid. Cover and simmer 10 minutes. Cut cabbage into eight wedges, leaving a portion of the core on each wedge; add to carrots. Cover and simmer 15-20 minutes or until vegetables are tender. Thinly slice meat; serve with vegetables.
4. Cook, 2-3/4 hours; **YIELD:** 8 servings

Municipal Retirees
Organization Ontario
4094 Tomken Road
Mississauga, Ontario
L4W 1J5

Toll-Free: 1-800-595-4497
Fax: (905) 602-6710
Email: mroo@istar.ca
Website: www.mroo.org

Office Hours: Tuesday,
9:30 a.m. to 3:30 p.m.

Publications Mail Registration
Number: 40041589



Protecting the pensions and enhancing the quality of life for all OMERS pensioners.

2015 SCHOLARSHIP APPLICATION FORM

MROO MEMBER SECTION:

NAME: _____

ADDRESS: _____

RELATIONSHIP TO STUDENT: _____

STUDENT SECTION:

NAME: _____

HOME ADDRESS: _____

PHONE #: _____

EMAIL ADDRESS: _____

NAME OF COLLEGE OR UNIVERSITY: _____

FIELD OF STUDY: _____

ATTACHMENTS REQUIRED:

1. Proof of successful completion of a full course load in the first year.
2. Proof of acceptance into second year.
3. 300-400 word essay outlining the following: leadership positions; service to others; vision of your future; and how your post-secondary school studies will assist you in realizing your goals.
4. Resume outlining the following: employment; volunteer roles; and leadership positions.

PLEASE ENSURE THAT YOUR APPLICATION WITH ALL ATTACHMENTS IS RECEIVED

AT THE MROO OFFICE NO LATER THAT

1:00 P.M., TUESDAY, JULY 14, 2015

Protecting the pensions and enhancing the quality of life for all OMERS pensioners.