

Selkirk College Faculty Association  
Pension & Retirement Issues Annual Report  
Submitted by Ross Bates  
April 2008

I represented the SCFA at the FPSE Pension Advisory Committee (PAC) meeting in October, but was unable to attend the meeting in February. I also responded to a number of inquiries about pension and retirement issues raised by individual SCFA members throughout the year.

Some post-retirement health benefits (EHB, Dental, etc.) are currently provided free or at a nominal cost to our retired members. These are funded from the employer's contribution to the Inflation Adjustment Account (IAA) and are not guaranteed. As our plan matures with more and more retirees, the ability of the plan to continue to provide this extra service is eroded. Eventually retired members will need to pay for most/all of these benefits directly. At the October PAC meeting the Pension Trustees warned us that rising costs mean a further reduction in these post-retirement benefits will be needed by 2009. The trustees will be seeking your input as to what areas to concentrate on, so look for a survey coming in the next year and/or contact me for further information.

Annual adjustments to the basic pension benefit to account for inflation have been a feature of our plan since its inception. However, this inflation protection is not a guaranteed benefit since it is subject to the availability of sufficient funds in the Inflation Adjustment Account. Unless changes are made to the plan, the IAA will be unable to fully protect you from inflation in the future (possibly as early as 12-15 years from now). The timelines are such that inflation protection must be a top priority in the next round of bargaining. On the recommendation of the Pension Advisory Committee, the President's Council of FPSE has formed an ad-hoc committee to develop a plan of action to deal with issues related to group benefit and inflation indexation challenges.

Some of you may have heard of recent changes to the tax laws passed by the federal government. These would allow pension plans to offer a phased retirement option. A member could continue to work at a reduced load and keep earning more pensionable service, while at the same time drawing a partial pension to supplement their current income. Please note that our college pension plan currently does not have any provisions that would allow for this type of option. The pension trustees are considering whether to change the plan rules to take advantage of these new provisions.

Retiring members are encouraged to join the post-secondary branch of the BC Retired Teacher's Association (BCRTA). This is a service and lobbying organization for retired educators. It also offers access to some post-retirement group benefit plans. The SCFA currently provides the first year's membership free to our retirees.