

FROM THE PRESIDENT'S DESK



It has been some time since I have provided an update on our association's activities.

This is not entirely due to a lack of

activity, but rather mostly due to my not taking the time to develop a report, which has been asked for by many members. And, as can be expected, most of the interest of members is in our 'legal claim'.

As you will appreciate, there are quite a number of legal hoops our claim is required to go through. First, a 'statement of claim' needed to be developed and filed with the courts. This was a lengthy process which was completed in late April of 2004. The government was served with this document and after a lengthy review on their part, they decided to contest the legitimacy of our claim. Their challenge was based on two aspects — as a claim in its own right and as a 'class action' claim.

Statement of Claim — This document briefly sets out certain beliefs respecting the provisions of the 'pension plan', the failings of the pension plan as to the way we believe the government is administering it and what we are asking the 'court' to rule on respecting a remedy for the believed pension wrongdoings.

As it stands, we are asking the court to rule on four issues:

- ! are the members of PSSP entitled to 'damages', and if so, we are asking the court to determine the amount of said damages;
- ! if damages are warranted, we are asking the court to award interest thereon or have the interest determined by *The Pre-judgment Interest Act*;

- ! we are asking for a declaration of the government's obligations for future pension payments, including a formula for indexing and 'health and dental benefits';
- ! we are asking that the government pay all legal costs of this action.

Class Action — To be a 'class action suit' in Saskatchewan, the legal claim must meet a variety of tests. (Incidentally, at the time of writing this article there have not been any successful class action certifications in Saskatchewan, even though Saskatchewan has had class action legislation on the books for several years now.)



The desire to have our claim handled as a class action is essentially time, convenience and economics. With a class action, where the same problem or situation exists for everyone, one lawsuit can address the concerns of all superannuates that are in the 'old

plan'. Two aspects of this are important — namely:

- ! as a group with the same or common concerns, a class action permits the decision of one lawsuit to be applicable to all the members of that class or group. This will allow the pooling of our limited resources to get the best or most effective representation for all members of that class;
- ! without class action, individual members would have to take on the government on their own. Few of us, if any, have the resources to do that and even if we did, the courts could be glutted with some 9,000 or more identical lawsuits. This would not be financially acceptable for members nor a desirable use of court time.

To get a decision on class action, this question must be argued before a 'judge'. In preparation for this, your 'president' and two 'board directors' were required to prepare and file with the court 'affidavits' respecting our knowledge and beliefs of the pension

plan. These documents were finalized and filed with the courts in late spring of 2004. After a review and study of these affidavits by the government lawyers and the normal processing of the affidavits, the government lawyers through the 'discovery' process were allowed to question the 'plaintiffs' under oath, on the contents of their affidavits. This discovery was concluded privately under oath and recorded by a court reporter in early October of 2004.

The government also had the opportunity to advance its own affidavits, however, chose not to do so.

The next step for our 'legal counsel' and the government lawyer is to argue the merits of 'class action certification' in a courtroom setting before a judge. This is the stage we are now at.

Once this argument for 'certification' is completed, the judge then considers our statement of claim, our affidavits, the transcripts of our discovery interviews and the transcripts of the certification arguments along with all other documentation that is filed or advanced. The judge will ultimately provide a decision on our certification as a class action. **It was hoped that such a decision might be available as a nice Christmas present. At this time such a present seems more likely some time in the New Year.**

If we are certified, it is a requirement that the judge try to get the parties to come together for a settlement out of court. It has always been a goal and our hope to get the government to the bargaining table where we hopefully could come up with a solution acceptable to both sides. We now however believe that any agreed upon resolution would have to be supported by 'legislation' so that we don't have to revisit this concern in the future.

Should we be certified and the government does not bargain, then we will be proceeding directly to a full battle in court. The difference then would be that we will have a court decision setting out that we have a 'certified legal claim' and we can proceed as a class action.

This is where the process is at presently. While our claim has not moved as quickly as we desired, it is nevertheless moving ahead. We expect to soon have some decisions from the courts. Having now been personally involved with this quest for over three years, I am getting more optimistic as the days go by. We can see progress not only in the activities of our claim as it moves forward, but also in the comments and actions that are attributed to certain government members.

Keep the spirits up. Let's have a good holiday season and hopefully we will all have a New Year with something to celebrate. Season's best to all members and non-members. I would also at this time, encourage all non-members to join the association.

Alfred Zimmerman
President

The following is a copy of a letter
presented to the Minister of Finance
at a Meeting on November 8, 2004 by
Alf Zimmerman, Frank May and
Chris Pasloske

November 8, 2004

Hon. Harry Van Mulligen
Minister of Finance
Legislative Building
2405 Legislative Drive
Regina SK S4S 0B3

Dear Mr. Van Mulligen:

We come here today on behalf of all provincial retirees — retirees of executive government, crown corporations, agencies, commissions and the like. And I first would like to thank you for taking this time to meet with us. It is our hope that this meeting and any ensuing discussion will be informative and beneficial for all concerned.

I would like to set out that government super-annuates are not a wealthy group. The most recent data we have available indicates that retirees, on average, receive a monthly pension of \$1,383 and the

surviving spouses of retirees receive monthly pensions of \$656. These are not wealthy citizens.

Today I would like to bring to your attention several pressing superannuate concerns, namely —

- ! Inflation
- ! Cost of Group Benefits (Health and Dental)
- ! Pension Payroll Considerations, and
- ! The office of the Public Employees Benefits Agency (PEBA)

Inflation

As you will be aware, personally as well as from your position as Minister of Finance, inflation has had a most devastating impact on incomes. It has been particularly difficult for superannuates where only occasional relief has been forthcoming and on these few occasions the relief has been only minimal.

You will be able to appreciate that the loss of purchasing power in recent years, by superannuates, has been substantial. For example, if a person retired during the massive downsizing exercise of 1987 with a pension of \$2,500 per month, you can generally expect the following:

Retire — Jan. 1, 1988	Monthly Pension:	\$2,500
Nov. 1, 2004	Pension (increased by province to now approximately)	\$3,035
Inflation (Jan. 1, 1988 to Nov. 1, 2004 requires pension of)		\$3,905
Loss of Purchasing Power (1988-2004)		\$ 870
Loss of Purchasing Power equals		$870/2,500 = 34.8\%$

You will also be aware that superannuate pensions are not regularly adjusted to accommodate or compensate for inflation. On the other hand, salary agreements, utility rates, and the pensions of others do recognize this economic reality and adjustments are provided for it. Our association is now aware that Newfoundland, which economically is quite likely the poorest province in Canada, is now providing legislated pension indexing to their superannuates. Saskatchewan, which our Premier proudly announced is now a HAVE province, is the only province in Canada that does not provide legislated pension indexing for its retirees. This is particularly disconcerting for many of us who were enticed to work in Saskatchewan and for the province on the understanding that Saskatchewan pensions were among

the best of those provided in Canada.

Superannuates recognize this is a difficult problem, however, one that was brought on by the government not establishing an employee pension fund. This problem must be addressed, and of course, we hope that it is addressed fairly and equitably and in the very near future.

Another concern of superannuates respecting inflation is that your government, through its various programs and services, is seen as responsible for much of our past and current difficulties.

The government agrees to and sets the prices for many of the escalating cost items affecting superannuates. Such increases as for energy, power, telephone, insurance, gasoline and transportation, etc., are all implicated. These have cost increases, which are determined and approved by the government. The government, itself, can handle these cost increases by setting different tax rates, mileage rates and so on. Retirees do not have the luxury of increasing their incomes to offset or accommodate inflation. They are in a "Catch 22" situation where, as with the case of energy must keep themselves warm, must pay the increases that SaskEnergy passes on to them, yet they have no ability to increase their disposable income to accommodate these increased costs. This is an ever-continuing spiral down to the point where many will end up on "Welfare". This is not the future sold to employees when they were recruited to work for the province.

Superannuates ask, "Why can't we be treated in the same way that other provinces treat their superannuates?"

Group Benefits

Some six or seven years back, our association designed and implemented a Group Benefits Plan for its members. The program, in most respects, reflected the "Benefits Program" of former and current employees. Initially, premiums of less than \$100 per couple per month were considered reasonable with the result that a large number of retirees enrolled.

As time moved on and the members aged, premiums increased. Discussions with your predecessor left the association hopeful that help was forthcoming through either a subsidy but more likely through the meshing of our program with the existing employee Group Benefits Plan (we were told this option

appeared most practical as legislation would not be required).

What the government ended up doing, however, was establishing a Group Benefits Program for superannuates that retired after October 1, 2000. This decision effectively cut off new membership for our program and the result is the average age of our membership now increases more rapidly and premiums rise more quickly.

The government, by this arbitrary, and what we believe to be discriminatory decision to limit the new program to only those that retired after October 1, 2000 has indirectly put our Group Benefits Program on a course of financial strangulation. Group Benefit premiums now approximate \$250 per month and when added to the program and service increases of other government agencies these costs are quickly seen as unmanageable and unacceptable. Our Group Benefits Program and our members cannot withstand these severe financial dilemmas.

Other governments provide considerable help to their former employees for these benefits. Surely, Saskatchewan can do something similar to assist its superannuates.

Pension Administration

Our superannuates association is in a vulnerable position to negotiate or take advantage of other program carriers that may offer lower premiums. The main reason for this is that the association does not have the ability to economically collect or provide the required premiums. Currently, the carriers collect member premiums through a direct withdrawal system from individual members' bank accounts.

With PEBA controlling the administrative pension payroll system, which currently provides for cheque deductions (income tax and insurance, etc.), it is believed that a deduction for Group Benefits could be provided easily and with negligible cost. Such a measure would be of real help to not only provide better options for our existing program but also could facilitate and ease the combining of our program with that of current employees.

Superannuates request that consideration be given to providing such a pension checkoff to accommodate Group Benefit Premiums.

Public Employees Benefit Agency (PEBA)

It is the general belief of superannuates that PEBA exists not only to administer the various pension programs but also to be of some assistance to superannuates with their various pension issues and interests.

Our association has, on a variety of occasions, and on behalf of the membership, asked for information or help on selected issues. The information or help requested, for the most part, is believed to be readily available within the normal administrative and operating expectations of PEBA.

It is our hope that your office concurs that superannuates and their association are entitled to receive such information and assistance. We believe this co-operative role of PEBA would be much improved with an expression of your commitment and support of such co-operation. We ask that such an expression be forthcoming from your office and passed on to PEBA officials.

Mister Minister, on behalf of superannuates, I again want to thank you for taking the time to meet with us this afternoon. We are prepared to discuss these and other issues as you may wish. In any event, we look forward to your thoughts, comments and actions on the issues raised here today.

Yours sincerely

Alfred Zimmerman
President

Note:

2005 ANNUAL GENERAL MEETING

Please plan to attend our association's 30th Annual General Meeting, tentatively scheduled for **Friday, April 29, 2005** at the SGEU Auditorium, 1440 Broadway Avenue, Regina.

Sharing the Gazette

We urge members to share and discuss the issues in the Gazette, and any other concerns you might have, with your local MLAs. They need to be made constantly aware of the problems facing our group. □

Celebrate

Saskatchewan's 100th
Anniversary & OUR
Association's 30th birthday
in 2005

Please Call! Write! E-Mail! Fax!

Tell the SGSA/SRA about:

- ! events planned in your community or region to celebrate **Saskatchewan's 100th anniversary**
- ! your ideas and suggestions for consideration to celebrate **our association's 30th birthday**

The SGSA/SRA would be pleased to assist and attend gatherings to bring information, hear your concerns and respond to questions — let us know if you or others are prepared to help arrange a session in your community.

Records and Archives

Your Records and Archives Committee is still looking for information about meetings prior to January, 1975, as well as any data you may have about the association, i.e., committee notes, minutes, newspaper articles, pictures, etc. (including any pictures of our past presidents). If you can provide information or know how to reach family and friends of former presidents, please contact Charles Ames — Ph: (306) 693-7980; Fax: (306) 692-5449; or write PO Box 72, Moose Jaw SK S6H 4N7

Do You Have an E-Mail Address?

Did you remember to send us your e-mail address? If not, please take a moment and send us an e-mail, putting "E-Mail Address" in the 'subject' line and your e-mail address (along with your street address, in case of duplicate names) in the 'body' portion. Let us know if you are willing to receive your Gazette by way of the website.

New Addresses

As a result of our name change from SGSA to SRA, we now have new addresses for our website (www.saskretirees.org) and our e-mail (sra1@sasktel.net) — **please note, this is "sra" followed by the digit "1" @sasktel.net.**

The old e-mail address of sgsa@sasktel.net will continue to be valid for a period of time, however, we encourage you to use the new address.

SRA Website

Over the summer, our website was modified to accommodate the placement of our Gazettes. You can now view our Gazettes online beginning with the 2004 editions.

You will have a choice of viewing the gazettes in one of two formats — PDF or HTML. The **PDF format** will display the information on your screen in much the same way as you view the paper version of the gazette **BUT** you will need "PDF Reader" software (which can be downloaded free of charge by following the link in the website or go directly to www.adobe.com). You may wish to check the minimum system requirements. In the **HTML format**, all the textual information will be displayed without any specific formatting or images, so you will not need any additional software.

We encourage you to periodically visit this website as this provides us another channel of communication.

Extended Health and Dental Plans

In a letter to members in June, 2004, your Board promised to use the Gazette to keep members of the Extended Health and Dental Plans informed of our efforts to reduce costs of the Extended Health Plan. Here is an update.

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Extended Health and Dental Plans

[continued from page 5]

We met with GMS on May 4, 2004 and requested a comparison of our plan to the Extended Health Plan that our government sponsored for employees who retired after December 31, 2000, known as the PEBA Plan. We had heard that the cost was much less and the benefits were comparable. We wanted to know what the monthly premiums would be if we moved all our 1,070 members to the PEBA Plan.

We thought this study would take a week or two but unfortunately, we did not receive the report until September 1, 2004. The study results are as follows:

Our Current Extended Health Benefit Plan

The monthly premiums are:

Single \$98.48 Couple \$196.92 Family \$233.86

If we Converted all our Members to the PEBA Plan

The monthly premiums would be:

Single \$109.99 Couple \$219.94 Family \$261.19

Current Members of PEBA Plan

Pay the following premiums:

Single \$64.95 Couple \$129.90 Family \$162.37

Our conclusion was as follows:

! When the PEBA Plan was set up and new government retirees joined the new plan, we lost our source of new younger members to our plan and our plan escalated in cost (monthly premiums) faster than it would have otherwise.

! Our Plan has similar benefits with lower premiums compared to us converting to the PEBA Plan format.

An
Article

by
Jack
Peterson

! The main reason for the difference in premiums between our Plan and converting to the PEBA Plan is our Plan excludes the dispensing fee and covers 75% of the cost of formulary and non-formulary drugs to a maximum of \$1,700 per year, whereas the PEBA Plan covers 100% of the dispensing fee and the cost of only formulary drugs to a maximum \$1,700 per year. The dispensing fees can vary from \$2.50 to \$7.50, depending on the pharmacy.

As was reported at the annual meeting, the committee sent out a request for proposals to seven service providers on January 15, 2004. We then followed-up with detailed discussions with three service providers but were successful in only receiving one proposal, that was from GMS.

We began our contacts in September this year. We are also talking to the Minister of Finance about the impact of the PEBA Plan on our Plan. We are also revisiting the age banding, formulary — non-formulary and 75% of drug cost issues. □

Election Strategies

In September of this year, the SRA Board of Directors established a committee to develop strategies to advance the concerns and issues of retired provincial government employees in the event of an early provincial election. Initially, the committee will be looking at a number of constituencies in which the margins of victory in the last election were relatively close so that we can determine how many provincial retirees live in those areas. This will help us to assess what our potential capacities may be in these constituencies. With that information we will be able to tailor our strategies accordingly.

No specific strategies have been developed as yet and we are open to looking at any suggestions you may have. Suggestions should be forwarded to the attention of Bob Larsen at either the postal or e-mail address indicated in the subheading at the top of page 1 of the Gazette. □

Other Pension News

BC Public Service Benefits Class Action

A class proceeding was launched in August, 2004 against the Government of British Columbia on behalf of retired BC public servants. The lawsuit seeks the restoration of post-retirement medical and health benefits which were promised to the employees during the course of their employment.

The government's change in the benefit premium payment structure has resulted in an underfunded benefits program and to a significant increase in monthly costs to the retirees. The cut in benefits has amounted to an alleged breach of the employment contract, for which the plaintiff class is seeking damages for all unpaid benefits and for the full restoration of the medical benefits as promised. In addition, the proceeding claims punitive damages of \$5,000 per retired member of the pension plan. □

Newfoundland Retirees Receive Indexing

Retired public service employees have now been granted indexing of their pensions upon reaching age 65. The formula is 60% of the consumer price index (CPI) to a maximum of 1.2%. This now makes Saskatchewan the only province not to have legislated indexing. □

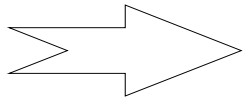
Taking Out/Renewing Membership/ Address Change

On receipt of membership dues, a membership card will be forwarded to you showing the expiry date which will be December 31st of the year shown. This card will also be your receipt for payment of dues. **Any fees submitted this year will be applied to 2005 and future years (if prepaid) and will not be applied against any dues owed for unpaid back years.** If you owe for past years, we would also appreciate receiving those dues.

The lower reverse side of this page contains your mailing label which displays your name, mailing address and the year in which your membership expires (if you are a member). If the words "Expiry Date" do not appear on your mailing label, this indicates that **YOU ARE NOT PRESENTLY A MEMBER** (and we encourage you to join).

Membership dues are **\$10 per calendar year** and may be prepaid up to four years past the current year.

If a change or correction to your name or mailing address is required, make the necessary corrections directly on the mailing label on the lower reverse side showing both the old and new name/address. If you are remitting a payment of membership dues, make your cheque payable to **SGSA/SRA Inc.** □



You may prefer to complete the form below and return to this office.



Name: _____ Telephone: _____ Fax: _____

Address: _____ E-Mail Address: _____

Membership Expiry Date: _____ Self: _____ Self & Other: _____

Place a ✓ mark in the appropriate box.

- New Membership
- Renewing Membership
- Change of Address
- Contribution to Legal Fund**

Please contribute if you are able to!

Make your cheque payable to **SGSA/SRA Inc** and mail to: SGSA/SRA Inc
Walter Scott Building
3085 Albert Street
Regina SK S4S 0B1

Amount Enclosed: \$ _____

Notice of Amendment to Association Bylaws

The Board of Directors will be seeking members' approval at the next annual general meeting of an amendment that has been made to section 15(e) of the association bylaws.

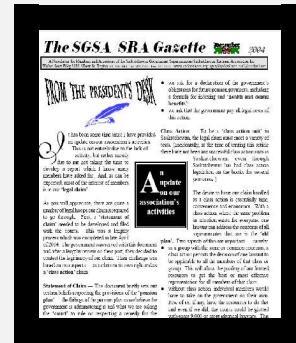
Section 15(e) to read:

"15(e) Officers can be appointed to the same position for a maximum of three (3) consecutive terms unless the Board determines that the interest of the Association would best be met by waiving this provision."

[Note: The **amendment** is underlined.]

Section 15(e) refers to the officers of the Board of Directors. The amendment:

- ! does not change the membership's responsibility to appoint members to the Board of Directors;
- ! allows the Board needed flexibility in better meeting the needs of the association.



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IMPORTANT NOTICE: The address shown as Walter Scott Building, 3085 Albert Street, Regina, SK S4S 0B1 is NOT a walk-in address of SGSA/SRA. It is only our mail-drop address.