

THE BADGER

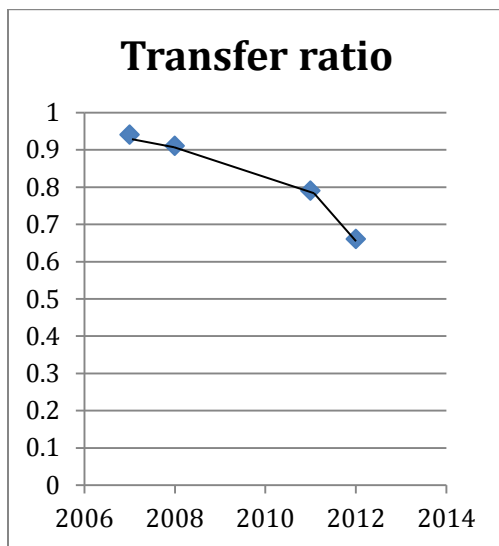


Benign unless provoked, according to the ancient natural philosopher Pliny the Elder badgers work cooperatively to build their lairs; one badger lies down at the entrance to their hole, holding a stick in its mouth, while other badgers pile earth on its belly. Then two badgers take hold of the stick with their mouths and drag the loaded badger away.

Volume 4 Issue 43 November 2012

The Badger is the newsletter of the Windsor University Faculty Association.

It's Flu season, and the Pension Plan is looking rather ill!



The Badger is very worried. As shown by the graph, there has been a substantial, rapid decline in the pension plan's health, as measured by the "transfer ratio" (a ratio of plan assets to liabilities) in the year July 1, 2011-July 1, 2012. The ratio was above 0.9 in 2007 and 2008, declined to 0.79 in 2011 and at July 1, 2012 was down to 0.66. The lower the ratio, the worse shape the pension plan is in. Why has the ratio dropped? There are several reasons, including:

- Very poor investment returns earned by the plan over the past year: 0.05%, or practically nothing - less than a bank would pay you on your account. For what are we paying the advisors?
- The Administration's decision to defer making a payment required to reduce the deficit.

- Unusually large lump-sum cash withdrawals from the plan: almost \$4.5 million between July 1, 2011 and July 1, 2012. The administration admits that withdrawals have been from individuals leaving the plan.

The administration will try to tell you that because these lump sum withdrawals are deducted from both assets and liabilities (i.e. both the numerator and denominator of the transfer ratio) that they have no effect. But the Badger knows that's not true. Try it: Take any ratio less than 1 (representing a deficit). Subtract the same amount from the numerator and denominator. The result will be less than the original ratio. (E.g.: Start with $3/4$. Subtract "2" from the top and the bottom. Result: $1/2$, which is less than $3/4$, representing a decline in financial health if we are talking about the pension plan).

It has now been **over one year** since your **elected** representatives have been required to leave Board of Governors committee meetings about pensions. WUFA filed a policy grievance on this issue and went to arbitration, but Administration just keeps prolonging the arbitration process. The Badger asks: "**What can I do about it?**"

These days, we have only one avenue to express our frustration and find out the facts: the **annual open pension meeting, coming up on Wednesday, December 5 at 3 pm in Room 104 of the Odette Building**. Note that this is **after classes are over and before exams start! No excuses! We need a big turnout of fellow Badgers to demonstrate our concern.**

On the back of this page, *The Badger* has some questions you might wish to ask at the December 5 meeting

QUESTIONS that pension plan members need to ask on December 5, 2102

The Badger notes:

If the committee chairs aren't there, all questions could be addressed to VP Planning, Sandra Aversa

These would be good questions for the Chair of the Investment Committee, Fred Quenneville*, if he attends (*pronounced: Ken-ville):

- 1.) 0.05% is less than I can earn at the bank. What changes are the Investment Committee making to improve investment performance?
- 2.) What changes have you made, or are you contemplating for the Statement of Investment Policies and Procedures (SIPP)? *(We have reason to believe some changes are coming)*
- 3.) Are you comfortable asking the elected representatives of the pension plan to leave every meeting? If not, have you proposed a change to the Board policy to permit attendance? Why not?

These would be good for the Chair of the Pension Committee, Vince Bassman, if he attends:

- 4.) The Pension Committee must have approved the decision to defer the special payment to reduce the deficit, right? Yes? How did you decide this was the right move? No? Why wasn't your committee involved in this important policy decision?
- 5.) What steps has the Pension Committee taken to deal with the pension changes laid out in the June provincial budget?
- 6.) What actions is the Pension Committee taking regarding the unusually high level of lump-sum cash withdrawals from the pension plan?
- 7.) Has the Investment Committee investigated whether Mercers Canada is in a conflict of interest given its status as fund actuary and other information it provides to administration? Why not?
- 8.) Corporate creditors gain representation when companies are in arrears. Given the university administration's deferral of a deficit payment, shouldn't plan members have a representative on pension committees? Has the Pension Committee discussed this? Why not?

- 9.) How many times has the Pension Committee met this year?

Here are some for the VP Planning, Sandra Aversa, or the Director of Human Resources, Rita LaCivita:

- 10.) Last year at this meeting we were assured that our concerns about governance would be addressed. But nothing has changed. Why not? What now? Why should we believe Administration?

It has now been **over one year** since your **elected** representatives have been required to leave Board of Governors committee meetings about pensions. WUFA filed a policy grievance about this issue and went to arbitration, but Administration just keeps prolonging the arbitration process.

The Badger asks: "**What can I do about it?**"

- 11.) How many individuals withdrew their funds from the plan last year? How many withdrew per year, on average, prior to last year? Were most of the funds that were withdrawn from the pension plan last year withdrawn by faculty members or administrators?
- 12.) Why was the video made at last year's meeting never posted online? Is it just for surveillance purposes by senior administrators who don't want to actually be at the meeting?