

ON GUARD

NATIONAL ASSOCIATION OF FEDERAL RETIREES NEWSLETTER



WINTER 2010 VOL. 48 No. 4

Survey says majority of PSHCP members plan to use the benefit card

According to an informal survey conducted on FSNA's Web site, 85.6% of respondents are "absolutely" planning to use the Public Service Health Care Plan (PSHCP) benefit card to purchase prescription drugs and certain medical supplies. The supplies available with the card will be diabetic supplies (syringes, lancets and glucose test strips), dressings and bandages, and catheter supplies.

The informal survey, posted between June 1 and September 21, asked Web readers "Do you plan on using the PSHCP benefit card?" There were 10.1% of respondents who answered "Maybe, I'll see" and 4.3% who replied "No, never".

The benefit cards were sent out in October and, as of November 1, have been accepted in Canadian pharmacies to process claims electronically. This means that, once their annual deductible is paid, plan members only have to pay their portion of the cost of each prescription, which is generally 20% of the eligible expense.



Plan members who completed positive enrolment had the option to request a plastic card for themselves or one for themselves and each eligible dependant over age 18. All cards were issued showing the member's name.

Although all Canadian pharmacies have been notified about the PSHCP benefit card and encouraged to use it to process claims electronically, they are at liberty to refuse it. Should a pharmacy refuse the benefit card, members will have to follow the traditional method of paying the full cost up front and submitting a paper claim to Sun Life. This claims method continues to apply to all benefits other than eligible prescribed drugs and specified medical supplies, such as eye glasses, massages and nursing services.

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PDSP contribution increases More substantial data requested

Wanting to properly assess the monthly contributions paid by pensioners to the Pensioners' Dental Services Plan (PDSP), FSNA representatives requested further substantiating data when they met with Treasury Board Secretariat (TBS) officials, on September 20.

As reported in the last issue of **ON GUARD**, FSNA would have liked to have had supporting documentation to justify the increase in pensioner contributions announced in June that resulted from changing the cost sharing ratio between the Government of Canada and pensioner plan members from 60/40 to 50/50 effective October 1.

FSNA consequently asked TBS officials for data on PDSP costs and usage since the Plan was established in 2001.

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FSNA is looking out for pensioners' interests

With more than 165,000 members, the National Association of Federal Retirees is recognized by the Government of Canada as the major representative of pensioners – and of their spouses and survivors – from the Canadian Forces, the public service of Canada, the RCMP, and of retired federally appointed judges.

Since its inception in 1963, FSNA has protected your retirement by:

- playing a major role in securing and maintaining full indexation of superannuation benefits;
- obtaining a dental plan for federal pensioners;
- contributing to an improved Public Service Health Care Plan providing pensioners with enhanced benefits at minimal cost;
- ensuring continuation of survivor benefits in the case of remarriage of a surviving spouse;
- obtaining significant increases in supplementary death benefits for public service pensioners;

- securing pensioners' vote on pension and health care plan committees; and
- maintaining close links with the RCMP Pension Advisory Committee.

Although FSNA's professional research division focuses mainly on pensioners' issues, it also monitors major issues of concern to seniors in general. Its position papers are respected by other advocacy groups, elected officials, as well as senior levels of government.

Moreover, FSNA offers discounts on member-exclusive affinity programs such as group home & auto insurance, out-of-province emergency travel, trip cancellation & trip interruption insurance, long-term care insurance, travel discounts, and other goods and services. The savings that members enjoy from these exclusive programs can more than cover their membership dues. ■

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President's thoughts

This being my first opportunity to communicate with **ON GUARD** readers since being elected National President at Congress '10 in June, I would like to begin by telling you that it is with great enthusiasm, inspiration and humility that I accepted this significant responsibility. I am looking forward to leading the great team of 15 individuals that compose the National Board of Directors.

Forty-seven years ago, FSNA had a humble debut in the basement of a Victoria B.C. residence. It has grown into 84 active branches from coast-to-coast, with a membership of some 165,000. We have successfully faced many challenges while becoming a powerful group of experts on government pensions, health programs, and senior-related issues. We are recognized by national and provincial organizations as one of the leading seniors' organizations in Canada.

Nevertheless, there are still many new challenges ahead. While we can be proud and respectful of our heritage, we should not be afraid to explore new avenues. We must strive to become a more pro-active organization rather than a reactive one. My vision for FSNA is that it will be innovative and not afraid to take calculated risks.

In the last few years, we have evolved towards a policy-based governance system. By adhering to recent legislative changes

imposed by the new Canada Corporation Act, FSNA will be in a better position to adapt and respond to its members' needs. Our new by-laws, approved by Congress last June, clearly establish the responsibilities of the National Board as the policymaker and those of the Executive Director as the administrator of the Association. They also say that, subject to the by-laws, branches are responsible for managing their own affairs. As the first and privileged link with all members, branches provide direct services in various areas. They use this first-hand experience to develop and adopt positions and policies to promote the objects of the Association. Branch contributions are vital to the overall health of FSNA.

A big challenge awaits us in the field of advocacy. Among the actions taken since Congress 2010, we met with Treasury Board on the Pensioners' Dental Services Plan (PDSP) contribution increase issue and have obtained background material. Although we are seeking more in-depth information, we have an agreement with Treasury Board to continue the discussions. We hope this will result in an acceptable compromise.

I would like to thank all the branch and Board members who brought our objection to the PDSP increases to the attention of their member of Parliament. This greatly contributed in pushing this file forward.



Ron Zeitlin Photo

» Hélian Lizotte

We have also met with officials of the Department of National Defence, Veterans Affairs and the Veterans Ombudsman to discuss the matter of indemnities paid to injured veterans. More meetings are still scheduled, as well as a presentation on the New Veterans Charter for the benefit of the National Board. This issue is a complex one; many organizations are involved and not all of them share the same viewpoint on the lump sum payments for disabled soldiers (see page 12).

In closing, I invite you to share your ideas, suggestions and comments with the executives of your branch. FSNA belongs to all its members. We are all on the same team and must work together towards the same goals. Every member has a different role or function, and every contribution is important for the success of the whole.

Since the holiday season is at our doorstep, I would like to extend to you, your family and all the important people in your life, my best wishes for the season. May 2011 bring good health and many joyful moments. ■

Executive director's report

The months since Congress 2010 are going by very quickly. Of the 33 resolutions brought forth to be debated at congress, 14 were adopted, bringing the total number of standing resolutions to 77.

As per our by-laws, the National Board of Directors, including me as ex-officio, is in charge of carrying forth the wishes of Congress. We lost no time in seizing opportunities to start working on some of the current resolutions. One resolution mandated FSNA to speak with the Department of National Defense (DND) and the Veterans Ombudsman on the important matter of the lump sum payment for disabled veterans. We met with DND representatives who referred us to Veterans Affairs. Officials there informed us that implementation of the New Veterans Charter is being examined to ensure that disabled soldiers and their families are treated fairly. We met with the Veterans Ombudsman in early October and invited him to brief the members of the Board at their November meeting.

One important resolution passed at Congress was acceptance of the 2010 by-laws. This has many ramifications on the way the Board and National Office will operate from now on. We are currently rewriting regulations, examining policies and adapting to new ways of doing things. Overall, the adoption of these by-laws, coupled with the strategic plan, point a clear way forward for the Association in a changing legislative environment.

Another resolution adopted in June requires that primacy be given to the payment of dues by deduction at source (DDS) instead of by cheque. This method is preferred by the branches because it reduces the administrative burden of collecting and processing cheques. Fortunately, 85% of our members are currently on DDS. To boost this amount, we have undertaken the following:

- On the FSNA Web site, DDS has always been listed first to give it prominence, but the Web page has now been updated to also indicate that DDS is the most popular method of dues payment.
- The brochure developed this fall for the biennial membership campaign indicates in bold print that DDS is the most popular method of dues payment. DDS is mentioned on three of its eleven pages, including an emphasis on its convenience factor.
- We plan to update the regular application forms in a similar manner, as soon as the current stock is depleted.
- An article appears in this issue of **ON GUARD** to encourage members to use DDS.

Despite our best efforts, there will always be a small portion of members who cannot avail themselves of this payment option, such as associate members who do not yet receive a pension. There are also some members who do qualify, but for personal reasons, do not wish to switch to DDS.



Ron Zeitlin Photo

» Sylvia Ceacero

A resolution was put forth on the Congress floor and accepted unanimously to name National Office after Claude Edwards. Although Claude passed away this year at the age of 94, his memory lives on. He was a very active national president and thanks to his efforts, the Pensioners' Dental Services Plan (PDSP) was created and implemented by Treasury Board in 2001. During his nine-year tenure (1989-1998), membership increased by more than 100% to reach 100,000.

The dedication of National Office in memory of Claude Edwards will take place in January 2011 to coincide with the 10th anniversary of the PDSP. A bronze plaque with his name and picture will be unveiled. A media event will be organized with Claude's family, local politicians, dignitaries, FSNA members and board members invited to celebrate Claude's memory. This will be a proud moment for FSNA and its members.

Aside from fulfilling the wishes of Congress, we are very busy with preparations for the upcoming Public Service Health Care Plan negotiations. The current plan renewal date is March 2011. We continue to be an

Continued on page 5 ►

Survey says majority of PSHCP members plan to use the benefit card

Continued from page 1

Assignment of claims

Since the PSHCP benefit card enables the processing of claims instantly at the point of sale, assignment of prescription drug claims is no longer available in Canada, but will continue to be offered outside Canada, provided the pharmacist is willing to bill Mondial Assistance directly. Mondial Assistance provides worldwide services through

a 24-hour emergency toll-free number, which appears on the back of the benefit card.

Assignment is an arrangement between a plan member and a pharmacist. Plan members pay their share of the cost to the pharmacist and transfer their right to receive reimbursement from the plan to the pharmacist, who must in turn agree to meet PSHCP requirements.

Generally speaking, Sun Life must receive a completed PSHCP claim form and a written and currently dated authorization to assign payment to the pharmacist, and both forms must be signed by the plan member. More information on assignment of drug claims was published in the PSHCP Bulletin No. 22 issued in April 2009. ■

Executive Director's Report

Continued from page 4

active participant at the Partners' table where the major unions and Treasury Board are also represented.

Furthermore, we are starting to gather our thoughts to provide to the government as commentary for the upcoming budget. This budget will be of pivotal importance to all Canadians, but most importantly to seniors and our members. Issues ranging from pensions, health and pharmacare, to home care and wellness will be covered by this budget. FSNA intends to make the voice of its 165,000 members heard.

You can see that we are very busy at National Office ensuring that our members' needs are looked after. We are here to serve you and we are doing everything in our power to protect your benefits, now and in the future. ■

PDSP contribution increases More substantial data requested

Continued from page 1

Some information was received in late August on overall costs, but FSNA feels that it was insufficient for a proper contribution assessment.

The new pensioners' monthly contribution rates represent increases that range from 25% to 32%. These increases will affect large numbers of federal pensioners whose pensions are less than half the Canadian average wage, and in many cases, much less.

FSNA's National Board of Directors and branch presidents were actively writing letters and meeting with members of Parliament in their ridings over the summer

to express their concerns about the PDSP contribution increases. Plan members voluntarily contribute to the Plan. They deserve to be informed on how the Plan is performing on a regular basis, through means such as PDSP communiqués.

Having advocated for the establishment of a dental plan for more than 10 years, FSNA has a vested interest in monitoring and protecting the Plan for its members. The National President is therefore requesting to meet with the President of the Treasury Board to discuss in detail the decision to increase the pensioners' cost-sharing ratio from 40% to 50%. ■

Minister of State (Seniors) addresses Congress of National Seniors Organizations

Minister of State (Seniors), Diane Ablonczy, spoke about the importance of addressing the challenges and opportunities of demographic change when she addressed members of the Congress of National Seniors Organizations (CNSO) at a meeting in Ottawa on October 15.

“As our population ages, the ongoing contributions of older Canadians will be more important than ever to our economic and social fabrics,” said Minister Ablonczy. “That is why it is important that these types of conferences be held to encourage discussion and knowledge exchange on seniors’ issues.”

“Unprecedented demographic changes will have a big impact

on the Canadian health, economic and social landscapes, but opportunities do exist,” said Executive Director Sylvia Ceacero as President of the CNSO. “The Congress is eager to work with all levels of government to ensure that the voice of seniors is heard and that each aging Canadian has the right to grow old with dignity and in security.”

The CNSO is a group of 10 member organizations representing more than 2.5 million seniors across Canada.

It consists of :

- the Active Living Coalition for Older Adults;
- l’Association québécoise de défense des droits des personnes retraitées et pré-retraitées;



» Diane Ablonczy

- the Canadian Association of Retired Teachers;
- the Canadian Association on Gerontology;
- the Canadian Coalition for Seniors’ Mental Health;
- the Canadian Pensioners Concerned;
- the Congress of Union Retirees of Canada;
- la Fédération des aînées et aînés francophones du Canada;
- the National Pensioners and Senior Citizens Federation, and
- FSNA ■



» Pictured here are the members of the CNSO. From L. to R.: Sylvia Ceacero, CNSO President and FSNA Executive Director; Jean-Luc Racine, Executive Director, Fédération des aînées et aînés francophones du Canada; Roger Doiron, President, Fédération des aînées et aînés francophones du Canada; Ralph Smith, 1st Vice President, Canadian Pensioners Concerned; Kimberley Wilson, Executive Director, Canadian Coalition for Seniors’ Mental Health; The Honourable Diane Ablonczy, Minister of State (Seniors); Patricia Clark, National Executive Director, Active Living Coalition for Older Adults; Don Fletcher, Past Chairman, Active Living Coalition for Older Adults; Vaughn Wadelius, President, Canadian Association of Retired Teachers; Norbert Boudreau, Executive Director, Canadian Association of Retired Teachers; Winnie Fraser MacKay, President, Canadian Pensioners Concerned; and Robert McGarry, Secretary, Congress of Union Retirees of Canada.

Pension surplus appeals dismissed

On October 8, 2010, the Court of Appeal for Ontario dismissed the pension surplus appeals filed jointly by the Public Service Alliance of Canada; the Professional Institute of the Public Service of Canada on behalf of the other National Joint Council Bargaining agents and several organizations, including FSNA; and the Armed Forces Pensioners' / Annuitants' Association of Canada in conjunction with the Canadian Association of Professional Employees.

Being appealed was the judgement rendered in November 2007 by the Ontario Superior Court of Justice, which dismissed the actions challenging the pension surplus provision of Bill C-78 that allowed the federal government to take \$28 billion from the surplus accumulated in the superannuation accounts of the Canadian Forces, the public service and the RCMP.

At the time of writing, co-plaintiffs were to meet to decide whether to seek leave to appeal to the Supreme Court.

The class actions were filed in 1999 and highlights of the trial were published in the summer 2007 issue of **ON GUARD** posted on FSNA's Web site. ■

Judgement reserved on SDB class appeal

At the time of writing, there was still no judgement rendered concerning the Public Service and Canadian Forces Supplementary Death Benefit (SDB) class appeal heard by the Supreme Court of Canada on March 17, 2010.

The class actions launched in 2001 challenged as discriminatory and contrary to the Charter of Rights and Freedoms the age-related benefit reductions whereby the amount covered under the SDB is reduced by 10% for every year of age attained by the participant — 65+ under the Public Service Superannuation Plan and 60+ under the Canadian Forces Superannuation Plan.

The actions were dismissed by the Supreme Court of British Columbia in January 2006 and the subsequent class appeal was dismissed by the British Columbia Court of Appeal in December 2008.

More details on these proceedings are posted on this Web site:
www.branmac.com. ■

Key facts about ePassports

Passport Canada will be issuing ePassports to all its clients in 2012.

Also known as a biometric passport, an ePassport looks like a traditional passport, but contains an electronic chip that is encoded with the same information — surname, given name, date of birth, place of birth and gender — that is found on page 2 of the current passports.

Canadian ePassports will include a digital picture of the bearer's face, but won't have other biometric information such as an iris scan or fingerprints.

Once the information is locked on the chip, no information can be added or removed.

These passports will not contain any kind of tracking device. They will be equipped with passive chips that cannot transmit or record any other information.

Border authorities equipped with ePassport readers will scan the chips to retrieve the information. Those not equipped with such readers will continue to examine travellers' passports as they do now.

Current passports will still be valid until they expire. ■

Income tax information

Canadian income tax queries

General information

Canada Revenue Agency
Web site: www.cra.gc.ca

Calls from Canada and the U.S.:
1-800-267-6999

Information for snowbirds

International Tax Services
Office
Canada Revenue Agency
2204 Walkley Road
Ottawa ON K1A 1A8
Canada

Calls from Canada and the U.S.:
1-800-267-5177

U.S. income tax queries

Internal Revenue Service
Web site:
<http://www.irs.gov/>

While in Canada

Internal Revenue Service
P.O. Box 920
Bensalem PA 19020
USA

For information:
215-516-2000

For forms and publications:
1-800-829-3676

While in the U.S.

Contact the IRS office in your area

Are you a wise snowbird with foresight?

If you escape the Canadian winter by staying in a southern part of the United States until spring, by definition you are a snowbird. If, before heading south, you get supplementary health care coverage, then you have foresight.

However, you can consider yourself wise only if you also make sure to be in good terms with the U.S. Internal Revenue Service, otherwise known as the IRS.

Onus on snowbirds

Since there are many variables that determine whether or not Canadians living in the U.S. have to pay U.S. income tax, the onus is on snowbirds to establish what their taxable status is, to find out if the *Canada-U.S. Income Tax Convention* applies to them and to know which forms to file in Canada and in the U.S.

For example, depending on their status, Canadians who receive income from renting out U.S. real estate could be subject to U.S. income tax on either their gross income or their net income. Those who dispose of U.S. real estate could have 10% of the gross sale price withheld at the point of sale on behalf of the IRS.

U.S. tax laws

For U.S. tax purposes, Canadian residents who spend part of the year in the U.S. are considered either resident aliens or non-resident aliens.

Those who spend 183 days or more per calendar year in the U.S. are considered resident aliens and are generally taxed in the U.S. on **income from all sources worldwide**.

Those who can be considered as non-resident aliens have spent less than 183 days in the U.S. in 2010, have their tax home in Canada and had a closer connection to Canada than to the U.S. in 2010. They will generally be taxed in the U.S. only on **income from U.S. sources**.

Non-resident aliens who earned income from U.S. sources will generally have to file their U.S. tax return by April 15, 2011. To that return, they must attach the IRS Form 8840, *Closer Connection Exception Statement for Aliens*, a form that advises the IRS that they maintained more significant ties in Canada than in the U.S. during 2010.

Those who do not have any U.S. income to report must still send the IRS Form 8840 mentioned above by June 15, 2011. So will their spouse and children, if they are also claiming the closer connection exception. If they do not file Form 8840 by June 15, they will not be eligible to claim the closer connection exception and will be considered resident aliens. As such, they could have to pay U.S. tax on **income from all sources worldwide**.

A new Form 8840 must be submitted each year that the closer connection exception is claimed. It is even recommended that snowbirds show a photocopy of each year's

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Successful meet and greet meeting in N.L.



» John Crosbie

A meet and greet reception hosted by FSNA in St. John's, Newfoundland and Labrador on September 8 was successful in raising awareness of FSNA in that province.

Elected officials, government department representatives, partner organizations and the media were invited to the event that was held in conjunction with a meeting of the National Board of Directors.

Speakers included:

- the Honourable John Crosbie, Lieutenant Governor of Newfoundland and Labrador (a member of the Avalon-Burin Branch);
- Tom Osborne, Deputy Speaker and Member of the House of Assembly for St. John's South District;
- Scott Andrews, MP for Avalon;
- Dennis O'Keefe, Mayor of St. John's;
- Brian King, VP Marketing - Communications and Business Development, Johnson Insurance Inc.; and
- Hélian Lizotte, National President.

The meet and greet reception was sponsored by FSNA's affinity partner Johnson Insurance. Established in St. John's, N.L. in

1880, Johnson is one of Canada's leading providers of insurance products and benefits.

One of Johnson's most popular products, the MEDOC Emergency Travel Insurance Plan, received positive ratings from none other than Lieutenant Governor John Crosbie who said that he is insured with MEDOC and thanked FSNA for offering this product to its members. He went on to state that he once had to file a claim and was thankful for the coverage and service that he received.

This reception was also a perfect opportunity for the National Director for N.L., Derm Coady, to recognize the valuable work that Violet Ruelokke accomplished to improve the governmental long-term care policy while she was the Provincial Advocacy Officer for N.L. ■

Are you a wise snowbird with foresight?

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completed form when they cross the U.S. border the following year to indicate that they are entering the U.S. as a temporary visitor from Canada.

Income taxable in Canada

Generally speaking, your income will be taxable in Canada if you don't spend more than 182 days out of the country annually and you continue to maintain residential ties in Canada.

In this case, you will have to file an Income Tax and Benefit

Return with the Canada Revenue Agency to:

- report all income you receive from sources inside and outside Canada for the year, and claim deductions that apply to you;
- claim federal and provincial or territorial non-refundable tax credits that apply to you;
- pay federal tax and provincial or territorial tax where you keep residential ties in Canada;
- claim federal and provincial or territorial refundable tax credits that apply to you; and

- be eligible to apply for the goods and services tax/harmonized sales tax (GST/HST) credit.

This article is provided for general information purposes only. Readers are advised to consult with the Canada Revenue Agency and/or the Internal Revenue Service to assess their specific tax situation.

Source: the information contained in this article is based on the Canada Revenue Agency publication P151, *Canadian Residents Going Down South*. ■

Time to review your survivors' workbook

Although you may be tempted to keep putting it off, you should take the time to review the information contained in **You and Your Survivors • A Workbook**.



This workbook is a guide especially designed for FSNA members and their families to help with estate planning and the winding up of an estate. It was mailed to all members with the summer 2001 edition of **ON GUARD** and sent to all members who have joined the Association since then.

It describes the entitlements of survivors under various pension plans and supplies additional information related to these plans.

To help you assess the adequacy of arrangements for your survivor(s), the workbook offers exercises to make it easier to understand your financial situation. It also provides some suggestions as to what you might do now to improve those crucial arrangements.

Another important aspect is that the workbook lets you record essential information so that those who will be looking after your affairs will know the extent of your estate, who to contact, and where all relevant documents are located.

Once you have filled out the workbook, make sure your family members are aware of its existence and where you keep it. A short notice, such as the one provided here, could be handed out as a reminder.

Surviving spouse's continued membership in FSNA

National Office and many FSNA branches are available to advise and assist surviving spouses with questions, particularly those regarding survivors' benefits, the Public Service Health Care Plan (PSHCP) and the Pensioners' Dental Services Plan (PDSP).

Surviving spouses can also benefit from receiving this quarterly publication **ON GUARD**, which contains useful information and updates regarding retirement and health care issues. To ensure your spouse continues to be kept informed and have someone to turn to for answers, he or she should complete the Surviving Spouse's Application for FSNA Membership found on page 71 of the You and Your Survivors workbook and return it to National Office as soon as possible after you have passed away.

Surviving spouses should be aware that all deductions previously taken from a pension will be stopped when the pension office is notified of the pensioner's death. This means that survivors will no longer have access to other benefits paid at the family rate by the pensioner, such as coverage under the PSHCP and PDSP. Survivors wanting to continue coverage under these insurance plans have to fill out an application to have the premiums deducted from their survivor allowance.

For the benefit of your survivors, the following is a current list of addresses, phone numbers, web sites, and e-mail addresses of offices they may need to contact at the time of your death.

This list, as well as all the forms contained in the You and Your Survivors workbook, are posted on the FSNA Web site under Publications. ■

To whom it may concern

I am a member of the National Association of Federal Retirees (FSNA), a group that protects and enhances the interests of federal pensioners.

Should anything happen to me, i.e., death, incapacity, placement in nursing home, etc., please consult **You and Your Survivors**, a workbook in which I have recorded important information regarding my estate, whom to contact, as well as the location of relevant documents. That workbook is kept:

Signature

Date

Important information for survivors of FSNA members

Pension Offices

Canadian Forces Pension Office

DCFPS
National Defence Headquarters
Albion Tower • 25 Nicholas Street
Ottawa ON K1A 0K2

Notices of death and questions about release and pension:
Ottawa region: 613-971-6012; toll free: 1-800-267-0325
E-mail: pensioninquiries@forces.gc.ca
survivorbenefits@forces.gc.ca
www.admfincs.forces.gc.ca/dcf-dsp/index-eng.asp

Pension cheques, source deductions, mailing addresses,
bank accounts, etc.:

Ottawa region: 613-952-9933; toll free: 1-800-267-0350
(Canada and US)
E-mail: ncr.ssdpens@tpsgc-pwgsc.gc.ca
www.tpsgc-pwgsc.gc.ca/forces-pensions/txt/index-eng.html

Judges Pension Information

Office of the Commissioner for Federal Judicial Affairs
Canada (OCFJA)
99 Metcalfe St, 8th Floor
Ottawa ON K1A 1E3
Ottawa region: 613-995-5140; toll free: 1-877-583-4266
info@fja-cmf.gc.ca
www.fja.gc.ca

Public Service Pension Office

Public Works and Government Services Canada
Public Service Pension Centre – Mail Facility
P.O. Box 8000
Matane QC G4W 4T6
Toll free Canada and US: 1-800-561-7930 or
1-800-561-7935
Outside of Canada and US: 0-506-533-5800
TTY: 0-506-533-5990
Fax: 418-566-6298
www.pensionetavantages-pensionandbenefits.gc.ca/

Royal Canadian Mounted Police Pension Office

RCMP Benefits Administration Centre
c/o Morneau Sobeco
1060 University Street, 9th Floor
Montréal QC H3B 4V3
Toll free within Canada and US: 1-800-661-7595
www.pbs-sra.ca

Former FSNA President appointed to the National Seniors Council

FSNA's Immediate Past President Stan Hrabarchuk was appointed as a new member of the National Seniors Council for a three-year term on October 5, 2010.



Ron Zeitlin Photo

The National Seniors Council is mandated to provide advice to the federal government on matters related to the well-being and quality of life of Canada's seniors, including new opportunities and issues arising from a rapidly growing and increasingly diverse seniors' population.

"As Canada's population ages, advice and assistance from the National Seniors Council is increasingly vital to policy makers," said Minister of State (Seniors) Diane Ablonczy. "Stanley Hrabarchuk's experience in government as well as with the National Association of Federal Retirees will bring to the Council a wealth of knowledge and experience on a range of issues important to older Canadians."

Since its creation in March 2007, the Council is chaired by FSNA's former Executive Director Jean-Guy Soulière. ■



BACKGROUND

The New Veterans Charter

On April 1, 2006, the New Veterans Charter (NVC) introduced a “dual award approach” to compensate Canadian Forces veterans for service-related or career-ending disabilities.

The NVC replaced the monthly benefits that were payable under the Pension Act by a combination of a lump sum disability award and a monthly Earnings Loss Benefit for those most in need. This approach focussed on the amount of the benefits and on their timing.

The maximum lump sum disability award payable in 2010 is \$276,080. It can be combined with the Earnings Loss Benefits payable to those taking part in a rehabilitation or vocational assistance program and that amounts to 75 percent of the pre-release salary. Other benefits include: the Permanent Impairment Allowance, the Supplementary Retirement Benefit and the Canadian Forces Income Support.

Many beneficiaries have indicated to the Veterans Ombudsman that they feel the new indemnities are not worth as much as the lifetime monthly benefits granted under the Pension Act and that they do not meet their disability-related

financial needs. An actuarial study that found this was true in the majority of cases also said that war widows and orphans were better off with the new system.

It is in this context that the following standing resolution was adopted in June, at Congress 2010:

“Be it resolved that FSNA cooperate with the Veterans Ombudsman to pursue the Minister of National Defence to undertake an evaluation to determine the magnitude of the financial and social problems encountered by our combat disabled veterans as a result of the “lump sum” benefit with an intent to make optional or revert back to the “monthly benefit” as a potential solution.”

On August 3, FSNA representatives met with a Policy Advisor of the Department of National Defence (DND) who informed us that DND cannot intervene at this time regarding the NVC lump sum award issue because DND and Veterans Affairs Canada (VAC) are under the direction of distinct ministries. VAC is exclusively responsible for the NVC.

In order to be in a position to properly assess and react to any changes to the NVC

contemplated by the Minister of Veterans Affairs, the National Office took a closer look at the benefit provisions of the charter.

On September 2, FSNA representatives spoke with the Director of Policy for VAC, who did provide a good overview of, and rationale for, the design of the NVC. He dispelled some of the myths conveyed by the media regarding its anomalies.

In an attempt to obtain the viewpoints of the lump sum supporters and opponents, it was decided by the National Board of Directors (NBOD) that FSNA would seek meetings with the Veterans Ombudsman, the Minister of Veterans Affairs and the Chairman of the House of Commons Standing Committee on Veterans Affairs.

On September 19, the Minister of Veterans Affairs and the Minister of National Defence jointly announced two series of measures respectively amounting to \$2 billion and \$52.5 million over five years, whereby the existing monthly lifetime duty-related disability pensions will be increased by \$1,000.

On October 8, FSNA representatives met with the Veterans Ombudsman who explained his disagreement with the new lump sum award. He was invited to brief the members of the NBOD on the New Veterans Charter at their meeting in late November. ■

Spring ON GUARD

Delivery of the spring edition of **ON GUARD** is scheduled for the last two weeks of March.

2011 Dues are Due

Membership dues not deducted directly from pension payments are payable on 1 January 2011 to your local branch. Membership dues are set at \$34.20 per year for single membership, \$44.40 per year for double membership, and \$15 per year for associate membership.

FSNA dues not an income tax deduction

FSNA does not and has never issued membership dues receipts for income tax purposes. FSNA membership dues are NOT acceptable as an income tax deduction because FSNA is not a charity or a professional organization (where members need to maintain a designation for employment purposes). Some members submit their annual FSNA statement of dues paid to the Canada Revenue Agency (CRA); some statements are accepted as a tax deduction (worth about \$5), and some are rejected. This discrepancy is an internal one at CRA and one that FSNA has no control over.

PSHCP Claims Deadline

Public Service Health Care Plan claims for **2009** must reach Sun Life no later than **31 December 2010** at the following address:

Sun Life Canada
Health Claims Office
P.O. Box 9601 CSC-T
Ottawa, ON K1G 6A1

For claims-related questions call:
1-888-757-7427
(toll free in North America)
613-247-5100 (National Capital Region)

Pension Increase for 2011

At the time of printing, the Treasury Board had not announced the annual increase in indexing to be applied to federal public sector pensions in January. The rate will have since been posted at www.fsna.com.

Call for tax volunteers

The Canada Revenue Agency is accepting, until the end of January 2011, registrations from volunteers who wish to help people complete their income tax and benefit returns. Persons interested in helping individuals who have low incomes and simple tax situations can volunteer their services by either calling **1-800-959-8281**, or by searching for "volunteer" on the Agency's Web site (www.cra-arc.gc.ca/volunteer)

Double memberships are worthwhile

Of the 165,000 pensioners currently belonging to FSNA, some 60% enjoy extra benefits with double memberships. For only \$10.20 more per year (\$0.85 per month on Dues Deduction at Source-DDS), it is definitely worthwhile.

Benefits to members

A family membership allows both partners to play a full role in the Association and keep abreast of important issues concerning pensions and benefits. Every paid member has a vote at branch Annual General Meetings on the directions that FSNA should be taking. Couples can take advantage of the social aspects together, attending branch events at the member registration rate, sharing a meal and listening to guest speakers on topics relevant to seniors.

Spousal members can join a branch's executive, or simply volunteer on one of the branch committees. They can even run for positions on the National Board of Directors.

Before she retired, Linda Silver was a licensed insurance agent and worked for many years as a legal secretary. Now she has a double membership with her pensioner husband, Les Silver, who is the President of the Shelburne-Yarmouth-Clare Branch in Nova Scotia. She volunteers as the branch Secretary-Treasurer.

She writes: "I have had the privilege to attend two Conventions and one Congress in Ottawa as well as one in Dartmouth with my husband, who has been the official delegate. My experiences have been nothing short of enlightening, interesting and informative! It was an opportunity to meet with staff members in Ottawa and Dartmouth. At regional and national meetings, I met many wonderful people from across the province and Canada. I have continued to socialize and travel with some of these people during convention/congress over the years. I have learned that even though we may live in different parts of Canada and our origins may differ, we do share similar interests."

For 47 years, FSNA has operated on a volunteer-run basis. The 84 branches across Canada are always on the lookout for new recruits who are willing to lend a hand. Whether it's phoning members, entering data into a computer or organizing a BBQ, volunteering is a great way to keep skill sets updated, learn something new, meet new people and play a part in the community. Several branches have teams of husbands and wives working together to ensure their quality of life is maintained through FSNA's advocacy efforts.

In the Regina and District Branch, Kathy Lye has a double

membership with her husband Les, who, after being Branch President for a number of years, is now the Regional Services Officer for Saskatchewan. She says "Les and I have shared the time we spent on the Regina Branch management team and executive, and now with his duties as RSO. Spending time together has been a wonderful experience for us both. It is something that we have been able to do together."

One final reason to invest in a double membership becomes evident in the unfortunate circumstance when a pensioner dies. If their partners are already members they can take advantage of a broad support network at the branch and national levels. Using FSNA's workbook "You and Your Survivors", members have all the information they need at their fingertips for estate planning, completing the required documents and filing for survivor benefits. National Office officers are only a phone call away to answer questions and work on their behalf, while many branches have volunteers in place to assist during a time of bereavement.

So if you are one of the minority with a single membership but you have a partner in life, please think about adding her or him to your FSNA membership. The cost is minimal but the benefits are plenty.

Benefits to FSNA

Double memberships are also beneficial to FSNA. With more members, we have more income to use in our advocacy efforts on behalf of pensioners. As we increase the number on whose behalf we speak, our voice gets stronger when we lobby government to protect the rights of pensioners. An indirect benefit to the Association is that by welcoming spouses from different backgrounds we gain new perspectives and skills, thereby broadening our horizons and improving operations. Particularly at the local level, having doctors, nurses, lawyers, writers, association executives, meeting planners, website designers, etc. who can lend their expertise to the branch, is invaluable. As the saying goes: “Many hands make light work.”

Another important incentive to increasing our membership is that it boosts the bargaining power we have with our affinity partners. When we negotiate for their products and services, we are more able to maintain great discount rates for our members when we have a large, faithful following.

Annual fees for regular single memberships are \$34.20 (\$2.85 per month on DDS), but for only \$44.40 (\$3.70 per month on DDS) — less than 30% more — members can sign up their spouse and get even more privileges. ■

Do something nice for your branch volunteers: Sign up for Dues Deduction at Source

At the end of each fiscal year, branch volunteers are busy sending renewal notices to members who pay their membership dues by cheque.

Although it is not a hard job – sorting through lists to identify memberships up for renewal, writing and photocopying notices, stuffing and sealing envelopes, dropping off mailings at the post office, updating membership records when cheques come in, making bank deposits, sending receipts for membership dues, etc. – it is a long and tedious task that comes back year after year and that takes a lot of your branch volunteers time and energy. This time and energy could be put to better use.

While the choice on how membership dues are paid always remains with the individual member, the method of payment preferred by branch volunteers is Deduction of Dues at Source (DDS). By this method, dues are automatically taken monthly from the members’ pension payment.

Congress 2010 even adopted a resolution that gives primacy to the payment of dues by DDS. This resolution recommends detailing the advantages of payment of dues by DDS to all current cheque-paying members and explaining that there are advantages for them and the Association when members use DDS.

DDS not only facilitates the administration of the membership process for volunteers, but it also saves the Association money by reducing stationery, postage, and staff time. Most importantly, DDS is also convenient for you, the member, because 1) you no longer have to wonder whether or not your annual membership cheque was sent, 2) it ensures that your membership does not lapse, and 3) it guarantees that you continue to receive FSNA information on a regular basis.

This method of payment is available to retirees in receipt of a pension under one of the public service, Canadian Forces, or RCMP superannuation acts, and to surviving spouses in receipt of a survivor’s allowance under either the public service or Canadian Forces superannuation acts. Unfortunately, such deductions are not available to RCMP survivors, to federally appointed judges, nor to associate members.

Should you wish to authorize deduction of your membership dues from your pension payment, please fill out and return the form on the next page. DDS authorizations can be cancelled at any time.

Note: The pension number is usually not more than six or seven digits and should be found on the right-hand side of your cheque or statement. ■

Deduction of Dues at Source



Branch: _____

Dear member:

Thank you for adopting this method of payment.
Please send this application form directly to the National Office at:
FSNA, 1052 St Laurent Blvd., Ottawa, ON K1K 3B4

Dues Deduction Authorization

You are required to complete the authorization area ONLY if you would prefer to have the convenience of having your dues deducted monthly directly from your pension payment. Paid-up members will see their deductions start at the beginning of the next calendar year.

Members already on DDS do not need to reapply every year.

I authorize Public Works and Government Services Canada to deduct FSNA dues from my pension payments and to remit those dues to FSNA. I understand that I may revoke this authorization at any time by notifying FSNA.

Signature: _____ **Date:** _____

Pension Number: _____ **FSNA Member Number:** _____

(NUMBER ISSUED BY PENSION SOURCE INDICATED BELOW)

Pension Source: (CHECK ONLY ONE SUPERANNUATION PLAN)(DDS NOT AVAILABLE ON JUDGES' PLAN)

Canadian Forces Public Service Royal Canadian Mounted Police

AND

It is a retirement pension OR It is a survivor's allowance

FSNA Membership Category:

Single (\$2.85 per month) OR Double (\$3.70 per month)

Last Name: _____ **First Name:** _____

(PRINT NAME EXACTLY AS SHOWN ON PENSION STATEMENT)

Spouse's Last Name: _____ **Spouse's First Name:** _____

Address: _____

_____ **Postal Code:** _____ **Phone Number:** _____

E-mail: _____

Provision of pension information requested on this document is voluntary. You may, without prejudice, decline to respond. This information is being collected to enable deduction of membership dues from your pension payments or survivor's allowance*.

This information will not be shared with anyone other than Public Works and Government Services Canada.

*DDS METHOD OF PAYMENT IS NOT AVAILABLE TO RCMP SURVIVORS, TO FEDERALLY APOINTED JUDGES, NOR TO ASSOCIATE MEMBERS.