

MARCH 2010 – LL764 PENSION COMMITTEE REPORT

The last two reports I talked about the four options available to you when you opt to take a monthly pension benefit. This is the only real choice that you will have to make when you retire. Everything else about your pension is determined by your years of pensionable service, final average earnings and the benefit formulas. This is the one place in the rules that govern the plan where you get to make a choice about the final result of how you will receive your pension and to a certain extent how much you will receive and when you wish to receive it.

The option you choose: J&S50% or J&S60% combined with Level Life or Integrated with Government Benefits is the single most important decision you will make with respect to your pension. Once submitted and accepted by the company it is irrevocable. There are no mulligans or do overs. You are stuck with your choice for the rest of your life. It is vitally important that you make the choice that is right for you and your family. There is no right or wrong choice. There are pros and cons with each option as with any choice in life. I have taken three monthly reports to talk about these options because I think that you must absolutely understand the differences in each of these options and chose the one that best suits you and your individual circumstances.

I would urge each of you to take some time to think about the different options available to you and ensure that you understand them fully. I will gladly take the time to answer any lingering questions you may have so that there is no doubt in your mind about how they work and what they mean. What I cannot do, nor can anyone else, is decide which option best suits you. That you must do for yourself. You must consult with your spouse and make sure that they understand the options and the pension benefit each one will provide for you. You must consider your personal financial situation, your spouse's pension income and any options associated with it. You should consider your health and the relative health of your spouse. Consider your retirement plans and lifestyle. Do you plan to travel and be active early in your retirement or are you simply looking to settle into a sedentary comfortable retirement? Do you want a larger portion of your money as soon as possible to finance your adventures or are you more conservative and concerned with taking a measured approach that will see your total pension income increase with age when you add your CPP and OAS income?

At our seminars the sole piece of advice we give is to seek independent financial advice on which option is best for you and your circumstances. Do not seek advice from anyone who has a vested interest in selling you an investment vehicle or earning money from the choice they suggest for you. There are certified financial planners available who make their living by charging you for the advice they give you and not a product they are trying to get you to buy. It can cost you a few hundred dollars or more depending on how detailed you want the planner to be but I am of the opinion that it is money well spent to ensure that you make the best choice for you.

Your pension is your future security and lifestyle. It is what you have worked all these years to get and enjoy. It is the anchor that has kept most of us tied to these years of shitty working conditions, no wage increases and years of uncertainty. Please make sure it works for you in the best possible way when you finally reach the finish line and retire. Email is the most effective way to reach me. I may be contacted at pres764@telus.net with any questions or concerns that you may have.

Respectfully Submitted,

Christopher Hiscock
Chairman, LL764 Pension Committee