



National Association  
of Federal Retirees

Association nationale  
des retraités fédéraux

# Moving Forward

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*A long-term vision for Federal Retirees that situates the Association within the bigger picture of national trends and anticipates the future needs of our members.*

## **INTRODUCTION**

The strategic plan, which is developed every three years, provides the objectives and direction for the Association for a relatively short period. If the Association is to prosper and remain relevant, a longer view of the future of the organization needs to be taken. Future strategic plans should be based on this longer-term view of the Association.

This discussion paper proposes a long-term direction for the Association. It looks at the environment that the Association will probably face, the challenges that lie ahead and the actions to be taken. This second draft of the document includes feedback received from members and branches to the end of January 2018.

For the last 10 years or so, the Association has grown in numbers, expanded and professionalized its national office and devoted much time to the development of its governance structure. It has expanded its membership base by allowing non-superannuated public servants, Canadian Armed Forces and RCMP personnel to become members of the Association. It also changed its branding and its name to National Association of Federal Retirees as well as its bylaws to comply with the not-for-profit legislation.

From an advocacy point of view, Federal Retirees initiated the Honour Your Promise campaign that was originally promulgated to protect the benefits of the Public Service Health Care Plan but was expanded to protect defined benefits pension plans and the superannuation plans. Town hall meetings were part of these campaigns and were used on two files: to protect our benefits and, teaming with the Canadian Medical Association, to encourage the development of a national health accord. The Association was also responsible for the establishment of the Canadian Coalition for Retirement Security (CCRS).

The past decade was also marked by internal challenges, mostly resulting from the many changes to the governance process. There was some instability at the leadership of the Association with turnover of national presidents (5) and chief executive officers (3).

A number of factors, including the decisions during past AMMs to deny required changes to our membership fee structures and increases in administrative costs, led the Association to a critical negative financial situation. This was resolved to a significant degree with the new membership fee structure that was approved during the 2016 AMM. The decade was also marked by the purchase, in 2015, of a new building and the sale of the building on St. Laurent Boulevard. In

February 2018, a 10-year contract was signed with a tenant for the new building and we are certain this long-term relationship will be an advantageous one for both parties.

## **CURRENT SITUATION**

The Board of Directors, elected in 2016, is committed to ensuring the financial stability of the Association and working towards establishing the proper balance between its three governance pillars: the branches, the national office and the national board of directors. It is felt that these two principal objectives are being met. A very positive 2017 AMM reflected this.

The progress in meeting the objectives of the strategic plan (2017-19) is being evaluated by the Board and there does not appear to be any major difficulties.

From a governance point of view, discussions during the 2017 AMM strongly indicated that there is no appetite to change our governance structure. There is room, however, to improve certain processes within the structure and this will be considered by the board this year.

The 2017 board of directors is more diversified than previous boards as the number of women has increased, and diversity continues to be a major objective.

From a political point of view, the current government seems to be more open to consultation and branches have become more involved in meeting with local MPs. It is the objective, in 2017-18 to have all members of Parliament visited by a member of the Association.

In advocacy, the Association continues to lead the CCRS and has organized town hall meetings that deal with veterans' issues. There will be an emphasis placed on preparing for the next federal election, scheduled for 2019, focusing on the "swing" ridings.

One of our immediate challenges will be to deal with the PSHCP court case.

The board will be concentrating on two major objectives for the 2017-18 year: increasing our membership and becoming more visible. These two objectives will continue to be important as we move forward and will be constant objectives in future strategic plans.

The board will also discuss how to engage those volunteers who want to be involved but not at the branch administrative level.

## **ASSUMPTIONS**

In looking into the crystal ball of the long-range future, a certain number of assumptions are being made:

### **1. No new benefits**

With a dental plan, a health care plan and a pension plan, there are few, if any, additional benefits that can be negotiated for pensioners. The emphasis then will be on protecting the current benefits and improving them when and if necessary. A factor that will constantly be considered is that any new or improved benefits will come at a cost to pensioners because of the 50/50 contribution rates and there will be continuing pressure on cost containment to ensure that the benefits remain affordable to pensioners.

### **2. New generation of volunteers**

Given that our current volunteers at the branch level are relatively mature and there has been an increased emphasis on volunteer training, there will be a new crop of younger volunteers that will probably have very different expectations and will likely want to be more involved, especially in advocacy. It will be essential to understand what will make younger members want to volunteer and to adapt our recruitment and training programs accordingly.

### **3. Reduction in the number of branches**

It is possible that a significant number of smaller branches will no longer exist. There will be increased reliance on new communications technology so that branches are able to provide services to a broader territory. Our training programs will become a very important tool in ensuring that branches expand.

### **4. Continued attacks on defined benefits pension plans**

The government is working to implement target benefits pension plans for many crown corporations with its introduction of Bill C-27 and may force negotiations to have target benefits plans for new employees in the public service. Our focus will remain on ensuring that accrued pension benefits are not compromised.

### **5. Danger of losing dues deduction at source**

This is a constant danger. This method of payment could easily be taken away should the relationships between our Association and the government sour. Alternatives to dues deduction at source will be developed in order to have less reliance on this process.

## 6. Phoenix Pay System

It is expected that the enormous problems resulting from the Phoenix Pay System will not be resolved within the foreseeable future and that an increasing number of individuals who retire may encounter difficulties. The Association will need to be active in assisting and representing the needs of these new retirees.

## 7. Increasing pressure from other public service pensioners' organizations

Organizations such as the Association of Public Service Alliance Retirees (APSAR) will become more aggressive in trying to replace the National Association of Federal Retirees as the representatives of pensioners with the government. The Association will be recognized as the only official representative of federal public sector pensioners and veterans.

## 8. Challenges that will face the Public Service Health Care Plan

It is expected that the trend toward new and ultra-expensive medications and medical treatments will continue. This will place enormous pressures on the viability and affordability of the plan, especially for pensioners whose premiums stand to significantly increase because employees do not pay premiums for the basic plan. This may also lead to tensions between unions and the Association when new drugs are introduced that would significantly increase the premiums for pensioners.

## 9. An aging Canada

As baby boomers age, their percentage of the population will gradually decrease and that of "new" pensioners will increase, which may introduce and shift intergenerational tensions. The tendency has been to deal with the needs of baby boomers but it is expected that the new generation of older Canadians, including future retirees, may have different outlooks and needs. The impact of new policies and programs on older Canadians will also need to be closely considered. A federal seniors minister is needed to assure better coordination on the policies, programs and issues that affect seniors.

## 10. Political environment

It is expected that, in the next decade, there will be three general federal elections and that the trend from majority to minority governments experienced over the past decade will continue. It is important to remain cognizant of the fact that economic and financial issues could drastically alter the government's position with respect to our benefits. Federal Retirees will continue to be non-partisan and participate actively in federal elections campaigns.

#### 11. A national health accord will be a continuing objective

In 2017, the Federal Government reached health accords with all provinces and territories except one. This is the first step in the establishment of a national health accord that will be accepted by all provinces and territories. The health accord will continue to emphasize long-term care and health care at home. There will probably be an agreement to implement a national pharmacare system and national standards for long-term care institutions. There will continue to be enormous pressures to control health care costs. As a result, the costs of certain medical procedures and new drugs will probably be more controlled.

#### 12. Federal Retirees will adapt to new technology

Technology is changing at a rapid pace and will continue to do so, especially technology relating to communications. The Association will continue to adapt to new technology.

### **MOVING FORWARD: THE FUTURE OF THE NATIONAL ASSOCIATION OF FEDERAL RETIREES**

As mentioned earlier, if the Association is to prosper and remain relevant, it must establish long-term directions and objectives. It will lose most of its relevance (and its membership), if it simply sits still with its main objectives of protecting the benefits and interests of pensioners and future pensioners. Although this is the foundation of the Association, it must build on this foundation.

The following are proposed objectives for the future. In order to achieve them, shorter-term objectives to be included in the three-year strategic plans must also be developed.

1. Federal Retirees will be the leader in establishing a new coalition of federal government retirees.

Note that the term “federal government employees” in this document includes retirees from the Canadian Armed Forces and the Royal Canadian Mounted Police.

The federal government consists of federal departments, crown corporations and numerous separate employers. The basic benefits of employees and retirees of these organizations are similar in nature and all have the basic culture of “service to the public”.

The National Association of Federal Retirees is probably the biggest and best organized organization to promulgate and develop an umbrella organization of all retirees’ organizations from these institutions. A structure similar to the Canadian Labour Congress could be considered.

The starting point could be to work with the crown corporations' retirees' organizations that are part of the Canadian Coalition for Retirement Security.

It will not be the intention of the Association to compete with organizations that are already established such as the Canada Post retirees organization, the RCMP Veterans Association or the Royal Canadian Legion, but rather to encourage, as mentioned above, an umbrella organization that will provide a forum for discussion and an expanded advocacy role concerning issues of common interest.

2. Federal Retirees will have a membership that consists of more than 50 per cent of all retirees from the public service, Canadian Armed Forces, Royal Canadian Mounted Police and federally appointed judges.

Currently, the Association cannot claim that it represents the majority of retirees. If it is to have more clout in its dealings with the government, it must be able to state that it represents more than 50 per cent of individuals in receipt of a superannuation payment. Emphasis will also be placed in encouraging employees to join prior to their retirement.

3. Federal Retirees will be recognized as one the most influential seniors' organizations.

The Association will continue its leadership role in organizing coalitions of seniors' groups to deal with specific issues, an example of which would be if the government were to try reducing the benefits under the old age security. The Association will be seen by all levels of government as a major and influential organization that will be consulted on all major seniors' policies and programs. Federal Retirees will be asked to participate in task forces and special committees that will deal with specific seniors' issues.

4. Federal Retirees will be the official representative on pension and health care plan committees.

The Association will be recognized officially as the pensioners representative on the Public Service Pension Advisory Committee, the Canadian Forces Pension Advisory Committee, The RCMP Pension Advisory Committee, the Public Service Health Care Plan Partners Committee, the Administrative Authority of the PSHCP, the Public Sector Pension Investment Board Nominating Committee, the Pensioners Dental Services Board and any other committees or advisory boards that require the participation of a pensioner representative.

5. Advocacy will be a principal responsibility of the branches.

Increasing levels of cooperation and coordination between the three levels of governments (federal, provincial, municipal) will be necessary in order to ensure cost effectiveness of policies

and programs for an aging society. Federal Retirees will have a trained group of volunteers at the grassroots level to implement the necessary advocacy programs. Contacting local politicians at all levels of government will be emphasized. Branches will have an expanded role and will be closer to their members.

6. The national office will be recognized as a model office.

The National Office will continue to have professional employees and will ensure that its mandate is carried out in a most effective and efficient way and will support the Board of Directors.