CCWIPP

Full Disclosure

Part One

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> The CCWIPP's mission is to advance the financial security of all plan members and the beneficiaries by increasing the long-term value and growth of the Pension Fund through efficient and effective investment management designed to achieve the highest possible return at an acceptable level of risk. The CCWIPP will strive to provide fully-funded pension benefits for reasonable contribution rates. This mission will be achieved by creating and maintaining an environment that promotes the interests of plan members and beneficiaries. The CCWIPP will provide plan members and beneficiaries with high quality service which will allow them to make informed decisions. Effective and efficient governance processes will be designed and implemented to deliver the pension promise and mission.
>
> (From the web site of the Canadian Commercial Workers Industry Pension Plan: http://www.ccwipp.org)

UFCW Canada takes a lot of pride in its pension plan - CCWIPP. The large multi-employer plan covers over 180,000 members and provides pension income to approximately 14,000 pensioners. The majority of members are women. Full-time and part-time workers are covered and contributions to the plan come entirely from the 400 or so participating employers.

Canadian UFCW leaders have bargained hard for increased contributions from the participating employers and have been remarkably successful. Even companies that traditionally take a tough line at contract negotiations have agreed to significant increases to their contributions to CCWIPP.

To hear CCWIPP trustees tell it, you can't help but get a warm feeling.

> The Pension Plan is a large, complex, sound plan for members, covering all ten provinces in Canada, based on the principle that all members are treated the same regardless of their rate of pay; all receive the same amount of pension for the same amount of cents per hour contribution based on the number of hours credited in a year.

The Board of Trustees, made up of an equal number of union and employer representatives, administers CCWIPP. The Trustees "use the professional services of an actuary, administrator, auditor, custodian, legal counsel and a group of investment managers to ensure that the pension plan will provide members with their retirement income".

> The Board of Trustees is composed of five employer-appointed trustees and five union-appointed trustees. The employer and union appointed trustees complement each other in making this Pension Plan one of the best run in Canada.

CCWIPP's assets are close to $1 billion. Employer contributions are roughly $90 million annually. 80% of CCWIPP's investments are made in Canada. The average rate of return in the last 10 years on money invested has been 8.6%.
Most importantly the trustees say:

> The Pension Plan belongs to the members - not to employers, not to UFCW Canada, but to the members. All assets are used to provide pension benefits for our members and their beneficiaries.
>
> CCWIPP has a single objective which will never change: to ensure that all members can rely on the retirement income they have earned. CCWIPP is committed to providing its members with the best benefit and service possible.
>
> http://www.ufcw.ca/pension_plan.cgi
>
> http://web.archive.org/web/20011215080245/www.ccwipp.org/about/index.html

It all sounds very impressive: A pension plan funded entirely by employer contributions that covers thousands of workers, including part timers, in the service industry; joint governance by union and employer representatives who are dedicated to ensuring a stable source of retirement income for members; the guidance of knowledgeable professionals, ensuring that good investment decisions for the members and their beneficiaries are made consistently.

Scratch beneath the surface, however, and the picture doesn't look quite as nice. In this, the first of our six part series about UFCW Canada's pension plan, we take a look at the facts and figures and what just isn't adding up. Information in this article is drawn from documents filed by CCWIPP trustees with regulatory agencies in Ontario and Alberta.

How CCWIPP Works

CCWIPP is a multi-employer, defined benefit pension plan.

Unlike many pension plans, which require members to make contributions, CCWIPP is funded entirely by employers who agree to participate in the plan through collective bargaining or through special negotiations with the UFCW. Each employer contributes a certain amount of money on behalf of each worker for each hour worked. The contribution amounts vary from employer to employer. CCWIPP's participating employers pay anywhere from 5 cents to 75 cents per hour worked for each worker right from date of hire. Under certain circumstances members are able to make their own contributions to pension plan as well. CCWIPP's financial statement for 2001 reports $258,637 in "self pays" and $168,095 in employee contributions.

If you are a member of CCWIPP, the amount of pension you'll receive when you retire depends on your employer's contribution and your years of credited service in the plan. The (http://www.ccwipp.org/news/index.html#CCWIPP) table shows you how much pension you're earning per year of service based on the amount that your employer is contributing.

For example: A member whose employer has been contributing 65 cents per hour earns a pension of $40.00 per month for each year of credited service in the plan. If the member retires with 30 years of credited service, s/he will receive a monthly pension of $1200.00.

A year of service equals 2000 hours worked. For members who work less than 2000 hours in a year, partial years of service are credited as follows:

Number of Credited Hours in Plan Year	Annual Proportion
Less than 200	Nil
200 but less than 400	10%
400 but less than 600	20%
600 but less than 800	30%
800 but less than 1000	40%
1000 but less than 1200	50%
1200 but less than 1400	60%
1400 but less than 1600	70%
1600 but less than 1800	80%
1800 but less than 2000	90%
2000 or more	100%

(Source: CCWIPP Certificate of Registration, November 29, 2001)

Members with no credited hours (i.e., those who are laid off, fired or quit) can stay in the plan up to 12 months before being terminated. At one time, members without hours could stay in the plan 36 months but this window has been narrowed considerably in recent years.

Prior to August 1999 members were eligible to retire with an unreduced pension at age 60. Those who wanted to retire earlier could do so as early as their 50th birthday but with a reduction in their pension (¼% for each month between age 55 and 60 and ½% for each month between age 50 and 55). These rules had been in place since 1988. But in August 1999 the rules changed. The changes in entitlements are shown on the following page:

	Members who became Plan members prior to August 1, 1999 and were eligible to retire on March 1, 2001	Members who became Plan members prior to August 1, 1999 and were not eligible to retire on March 1, 2001	Members who became Plan members on or after August 1, 1999
First Unreduced Retirement Date	Age 60	Age 65	Age 65
First Reduced Retirement Date	Age 50	Age 50	Age 50
Early Retirement Reduction Formula	½% for each month that retirement predates age 55 and ¼% for each month between ages 55 and 60	½% for each month that retirement predates age 55 and ¼% for each month between ages 55 and 60 in respect of service prior to March 1, 2001 and ½% for each month that retirement predates age 65 in respect of service on and after March 1, 2001	½% for each month that retirement predates age 65.

(Source: Notice to members, "Special Provisions Effective from August 1, 1999")

At one time, all CCWIPP members were entitled to what's in the first column. With the changes that were put in place in 1999 many CCWIPP members will have to wait longer before they can take early retirement with an unreduced pension and others (those who joined after August 1999) won't be able to retire with a full pension until they turn 65.

Members who fall into the 2nd and 3rd columns may be eligible for a "Supportive Temporary Outlay" (a payment that is intended to make up, to some extent, for the pension reduction for those members who were at one time able to take an unreduced pension at age 60 but must now wait until age 65. The implementation of this STO has been stalled by regulatory issues and, according to the CCWIPP administrator, would depend on CCWIPP having sufficient funds to provide this benefit.

CCWIPP Members become vested after two years of service. Contributions made for members who terminate from the plan before two years stay in the pension fund but will not be used to pay a pension to the worker on whose behalf they were made. UFCW insiders refer to these amounts as "breakage". CCWIPP has a lot of breakage.

Staff turnover in the grocery industry is high. Twice as many members leave the plan before vesting as those who vest. According to CCWIPP data, the number of members who leave the plan before vesting exceeds the number of active members by a ratio of almost 2:1. With a high rate of staff turnover, it stands to reason that a lot of money is flowing into CCWIPP that will never be used to provide pensions.

In recent years, CCWIPP trustees have taken steps that will likely increase the amount of breakage. Prior to 1997, members with no credited hours could stay in the plan for up to 36 months. In 1997, this window was reduced to 24 months. In 2002, the window was further narrowed to 12 months.

Taking Care of Business

A company called Prudent Benefit Administration Services (PBAS) handles CCWIPP's administration. CCWIPP owns 30% of this company. We don't know who owns the other 70% but PBAS's officers and directors consist of CCWIPP's entire Board of Trustees along with three UFCW Local Presidents, Gilbert Whitlock of Local 777 (now Local 247), Francois Lauzon of Local 500R and Brian Williamson of Local 1977.

A subsidiary of PBAS, 889389 Ontario Limited, provided benefit administration services in Quebec and British Columbia up until two years ago. The CCWIPP trustees, Whitlock, Lauzon and Williamson, were also directors of that company.

Yet another subsidiary of PBAS, Benchmark Decisions Ltd., provides consulting services to CCWIPP. The officers and directors or Benchmark are the same people: CCWIPP Trustees plus Whitlock, Lauzon and Williamson. Both PBAS and Benchmark charge substantial fees to CCWIPP and have been the recipients of interest-free advances from CCWIPP.

There is also another company called Student Benefits Administrators Inc., which sells health insurance to students at colleges and universities. The CCWIPP trustees, Whitlock, Lauzon and Williamson, also control that business.

Like most pension funds, CCWIPP has a diversified portfolio of investments. These fall into three different categories that are described in a 1998 letter from an accountant representing CCWIPP to the Alberta Superintendent of Pensions as:

Portfolio investments: "These are investments that are traded on a recognized stock exchange. The Fund has a number of professional investment managers that trade in such investments and a custodian that retains control of such investments."

Trustee-directed investments: "Trustee-directed investments are investments that have been made by the Trustees through the Funds' Investment Committee in consultation with third party consultants."

Investment Corporation investments: "The Propco investment corporations contain a variety of different investments."

The Propco's (incorporated companies called "I.F. Propco Holdings Ltd.") are special single purpose firms that channel funds from CCWIPP to various businesses. There are over 50 I.F. Propco companies registered in Ontario alone. Each one appears to be tied to a specific investment. Some take the form of secured mortgages and loans while others involve equity investments.

Based on information in CCWIPP's financial statements, some $440 million of CCWIPP funds are currently invested through these corporations.

High Risk/Low Yield?

Some of the investment corporations are involved in substantial loans and share purchases in the hotel industry. Since 1992 CCWIPP has helped a Toronto area entrepreneur named Ronald H. Kelly finance the purchase of numerous hotels, resorts, office buildings, shopping malls and even a fish processing plant. Kelly's enterprises stretch across Canada and as far away as Jamaica and the Bahamas.

http://www.ufcw.net/articles/docs/sins_of_the_father.html

CCWIPP is also a major shareholder in a hotel management firm called AFM Hospitality Corporation. Based on the following assessment from an industry expert, these investments come with a higher than average degree of risk.

http://www.afmcorp.com/

> Currently we see many financial sources still gun shy of offering financing for hospitality properties. Many have strict policies on what hospitality properties need in order to be considered for financing with a formal appraisal procedure. In today's market, financial institutions are generally not willing to advance more than 50 per cent of a project's supportable value off cash flow or 50% of capital costs, whichever is less. This means that any investment group must be prepared to contribute a large amount of the money itself.
>
> *(Valuation of hotel properties raises complex issues, Lawyers Weekly, March 2, 2001)*

There are also investments in undeveloped land. According to a report that appeared several weeks ago in the Toronto Star about a similar investment scheme by another large pension fund, these investments are highly unusual.

http://www.thestar.com/NASApp/cs/ContentServer?pagename=thestar/Layout/Article_Type1&call_pageid=971358637177&c=Article&cid=1052251719746

A storm of criticism erupted earlier this year when the Ontario Pension Board (which oversees a large multi-employer pension fund covering government workers) floated $37 million to a local developer for some undeveloped land north of Toronto. The story, which also raised issues of conflict of interest between the head of the pension fund and the land developer, had Ontario MPP's calling for a public inquiry.

http://www.carolinedicocco.com/pages/hansard_pages/2003/june_10_2003.html

"What we don't know is whether there are other commitment agreements and whether there is any other up side for the pension board," said one expert familiar with such transactions.

For the Ontario Pension Board the investment was a first of its kind. CCWIPP has been involved in these kinds of investments for well over a decade.

By our calculations (based on CCWIPP's financial statements from 1995 through 2001), investments through CCWIPP's investment corporations have more than doubled during this period (from $179,685,000 in 1995 to $446,504,000 in 2001). Investments in ventures related to Ron Kelly have more than quadrupled (from $55,105,000 in 1995 to $259,327,000 in 2001).

CCWIPP financial statements indicate that some of these investments have lost millions of dollars. In some cases, undeveloped land sits on CCWIPP's books for years worth only a fraction of its "cost" to the plan. In other instances, money continues to pour into troubled ventures on very favourable terms. CCWIPP's financial statement for 2001 shows an "unrealized adjustment of investments to fair value" (we think that means "a loss") of $37,407,611.00 on these investments. In addition, over $70 million of loans and mortgages are in default. We'll discuss these in a lot more detail in a forthcoming segment (Following the Money).

Rules and Regulators

For regulatory purposes CCWIPP is registered in Ontario. The plan migrated to Ontario from Alberta (where it had been registered since its inception in 1979) in 2002 and is subject to regulation by the Financial Services Commission of Ontario. The FSCO requires pension fund trustees and administrators to abide by the Pension Benefits Act of Ontario that sets rigorous rules for the administration and governance of pension plans.

http://www.ontarioinsurance.com/

http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90p08_e.htm

These rules hold pension plan trustees, administrators and other representatives to high standards. Administrators and trustees are expected to develop and adhere to policies regarding the investments of pension monies, conduct due diligence when deciding where to invest members' money and refrain from conflicts of interest. S 22 of the PBA puts it this way:

> **Care, Diligence and Skill**
>
> **22. (1)** The administrator of a pension plan shall exercise the care, diligence and skill in the administration and investment of the pension fund that a person of ordinary prudence would exercise in dealing with the property of another person.
>
> **Special knowledge and skill**
>
> **(2)** The administrator of a pension plan shall use in the administration of the pension plan and in the administration and investment of the pension fund all relevant knowledge and skill that the administrator possesses or, by reason of the administrator's profession, business or calling, ought to possess.
>
> **Member of pension committee, etc.**
>
> **(3)** Subs **(2)** applies with necessary modifications to a member of a pension committee or board of trustees that is the administrator of a pension plan and to a member of a board, agency or commission made responsible by an Act of the Legislature for the administration of a pension plan.
>
> **Conflict of interest**
>
> **(4)** An administrator or, if the administrator is a pension committee or a board of trustees, a member of the committee or board that is the administrator of a pension plan shall not knowingly permit the

> administrator's interest to conflict with the administrator's duties and powers in respect of the pension fund.

This excerpt is from a report called "Prudence, Patience and Jobs, Pension Investment in a Changing Canadian Economy", a publication of the Canadian Labour Market Productivity Centre (CLMPC), and describes the common law concept of the "prudent investor".

> The administrator of a pension plan must exercise care, diligence and skill in the administration of a pension fund that a person of ordinary prudence would exercise in dealing with the property of another person. This is known as the "prudent investor" rule. If the administrator has professional or specialized skills, then the administrator must apply the relevant knowledge that the administrator possesses or ought to possess by reason of his or her profession, business or calling to the management of pension funds.

The concept of the prudent investor is at the foundation of pension regulation in Canada. Simply stated it means that persons responsible for pension funds must exercise a high standard of care with respect to those funds since they are, in fact, other people's money.

The rules governing pension funds require that they be adequately funded and that shortfalls in funding be resolved within specified periods of time. There are also extensive guidelines on investing and investment policy. Pension plans registered in Ontario are in the process of transitioning from provincial to federal investment guidelines. The federal guidelines, administered by the Office of the Superintendent of Financial Institutions of Canada will set a higher bar for pension plan trustees and administrators. Administrators of Ontario-based plans must bring "non compliant" investments and practices in line with the federal guidelines by January 2005.

The FSCO announced late last year that it was conducting an audit (later termed a "review" and more recently an "evaluation") of CCWIPP to determine whether or not the pension fund is in compliance with the Ontario pension legislation. The audit is currently in progress. CCWIPP was subject to an earlier review (in the late 1990's) by the Alberta Pension Commission. That review was conducted in consultation with pension regulators from Ontario, Quebec and the federal Office of the Superintendent of Financial Institutions. The review found that the plan is "well administered" but listed several pages of recommendations to bring it into compliance with regulatory requirements. We'll have more on this in a future segment as well.

http://www.ontarioinsurance.com/Pensions/PensionP.nsf/6862b35b3162a7d185256888005f5b0f/4296a9134ea6f8eb85256998006962fd/$FILE/i400-801.pdf

http://www.osfi-bsif.gc.ca/eng/documents/guidance/docs/penivst.pdf

http://www.osfi-bsif.gc.ca/eng/pensions/index.asp?pm=0&

The funding problem

One of the issues of most concern to the regulators is CCWIPP's unfunded liability and its solvency deficiency. Based on CCWIPP's Actuarial Valuation Report for 2001, CCWIPP has an unfunded liability of $190,114,015 and a solvency deficiency of $398,683,993 or $631,067,488 depending on which page of the Report one looks at.

Why is solvency important? The Canadian Institute of Actuaries puts it this way:

> Plan members have been promised pensions in exchange of their labour. Money is set aside to secure this promise. The amount set aside has been determined by the actuary to be sufficient in accordance with AAP. At a minimum, plan members should expect to receive substantially what they have been promised in most circumstances.
>
> While a plan continues as a going concern, benefit security is not an issue, because members can rely on the continuing contributions from the employer. When a pension plan is wound up by a solvent plan sponsor, the plan sponsor is often responsible for paying off any deficiency. Once again, the members need not rely solely on the pension fund for the delivery of their benefits.
>
> The only circumstance when members must rely solely on the pension fund is when a plan is wound up by an insolvent plan sponsor. If the plan has sufficient assets, members will receive what they have been promised. Otherwise, they do not receive all the promised benefits.
>
> http://www.actuaries.ca/publications/2003/203012e.pdf

If CCWIPP were wound up [terminated] right now, it would not have enough money to cover pension benefits that would be owing to plan members. It would, in fact, come up over $400 million or $600 million short.

Pension regulations prohibit pension plans from running large unfunded liabilities and for good reason: So plan members' retirement income is protected in the event that the plan is discontinued.

Unfunded liabilities can develop for a number of reasons:

http://www.imrf.org/employers/why.htm

Past service credits, changes in demographics and actuarial assumptions, improvements in benefits and poor investment returns can all contribute to funding problems.

In the case of CCWIPP it's hard to say where the big shortfall came from or why it jumped over $100 million in the course of one year. According to CCWIPP's representatives (up to 2001) investments have been earning a healthy rate of return,

demographics haven't shifted in any significant way, there have been no improvements in benefits, money continues to flow into the plan from members who leave before vesting and at least 15 other UFCW pension plans have been rolled into CCWIPP over the past few years. In 2000, a number of employers made substantial payments towards their portion of the unfunded liability. Zehrmart Inc. (a subsidiary of George Weston Ltd.) paid almost $7 million.
CCWIPP's actuary cites lower interest rates, poor rates of return on investments and Ontario pension regulations which require the inclusion of a margin for grow-in as factors that contributed to the ballooning deficit.

But the "grow in" requirements only added $51 million in additional costs; CCWIPP's return on investment for 2001 was -.85% (a negative, but a small one) and CCWIPP trustees. In addition, since 1997 CCWIPP's financial statements were saying that the trustees had the deficit under control.

CCWIPP's solvency problems have been around for over a decade. At the end of 1989 (just ten years after it was established) CCWIPP had an unfunded liability of $47.5 million. By 1994, the unfunded liability was $48.9 million. In 1995 it dipped slightly to $43.6 million. But in 1996 it ballooned to **$90 million** (CCWIPP's financial statement for 1995 sates that this was the unfunded liability as at December 31, *1994*. We're assuming this is a misprint and the auditors really meant 1995). A brief note explained that the trustees were working with the regulator to resolve the solvency issue.

In 1997 the unfunded liability is reported at $49 million. In 1998, it's reported as "unknown, pending the outcome of a valuation". In 1999 it's not mentioned except for a brief statement that:

> On a going concern basis, ignoring the statutory solvency valuation, the Trustees have amended the Plan effective January 1, 1997 to ensure that there are sufficient contributions to fully fund the current benefits being earned and to liquidate the going concern unfunded liability within the time frames required by the legislation.

The same statement appears in the financial statement for 2000 by which time the unfunded liability had climbed to $84.7 million and again in 2001 when the deficit reached $97,589,693. For 2002, the going concern liability is $190,114,015 and the solvency deficiency is either $398,683,993 or $631,067,488 depending on which page of the Actuarial Valuation Report for 2001 one looks at.

For all the CCWIPP trustees' statements about liquidating the unfunded liability, it did not go away. It got bigger.

Members want answers

Members are concerned and rightfully so. CCWIPP does not provide a great deal of information to its members. This one page document (URL below) is the "Financial Statement" made available to members for the year 2000. The half page of figures and percentages is a distillation of the 33-page document that is the Auditor's Report for that year.

http://www.ufcw.net/files/pdf/cliff-evans_06-18-02.pdf#page=3

CCWIPP officials have told members not to sweat about the unfunded liability. Full funding is just a statutory requirement. The plan is big and sound and, with over 400 participating employers, not likely ever to require winding up.

> There is no funding problem in respect to CCWIPP on a going concern basis, which is how the pension plan is funded day to day", stated Cliff Evans, Chairman of CCWIPP's Investment Committee, in response to a member's questions in 2002. This, despite the fact that the "going concern" shortfall at the time he wrote the letter stood at $97 million. "In order to provide additional monies to cover any potential shortfall, increased contributions are being negotiated. The Master Contribution Agreement which affects the largest group of members of the pension plan, calls for increases in contributions of $0.20 per hour over a five year period.

A member who wrote to the CCWIPP trustees asking about the solvency issue and the trustee-directed investments received, many months later, a terse letter from a CCWIPP lawyer. There is no "funding problem" the lawyer advised the concerned member. It's a funding *deficiency*. As to the request for information about the trustees' investments, "Providing detailed investment information to each member is not possible and it is not something that is contemplated or required". That's a bit surprising considering that the FSCO's regulatory policy requires pension plan administrators to cough up extensive information to members on request.

http://www.ontarioinsurance.com/Pensions/PensionP.nsf/6862b35b3162a7d185256888005f5b0f/7fb1dd6dbc0874138525688c0003831e/$FILE/i150-800.pdf

Whether there is a *problem* depends on your perspective. From a members' point of view:

- Their eligibility for early retirement with unreduced pension has been scaled back.
- The length of time they can be without credited hours and maintain membership in their pension plan has shrunken by two-thirds.
- The number of hours that counts towards a year of service in the plan has been increased (from 1800 to 2000 hours).
- A regulator is investigating - *again*.
- Information about what's going on is hard to come by.

Apart from having to wait longer to retire with an unreduced pension, the reductions to benefits that have been made by the trustees to deal with the ballooning deficit, taken together with the outcomes of a decade of concession bargaining by the UFCW in the Canadian grocery industry will be additionally burdensome for CCWIPP members. The majority of CCWIPP members are women and, at the rate that things are going, most will work part-time for the duration of their working lives in the retail food industry.

The growth of part time employment and elimination of full time jobs, will mean that fewer members will vest and those that do will have less credited service when they do retire (and so, lower pension benefits). As stated earlier, under CCWIPP's rules to get one credited year of service a member must work 2000 hours in a year. That's 40 hours per week for 50 weeks. Not many CCWIPP members are able to do that and even fewer will in the future. A member working 24 hours per week will only have 1250 hours in a 50-week period. A member working 16 hours a week will have 800.

On top of that, only the very naive would believe that the additional contributions the major participating employers are making to keep the plan solvent would not have an impact on members when it comes time to negotiate their collective agreements.

Twenty cents an hour for each hour worked by thousands of members over a period of 5 years is a big increase in direct labour costs. Only the most magnanimous of employers would not take this significant and unexpected additional cost into account when negotiations for a new collective agreement roll around. Only the truly high-minded would treat "the 20 cents per hour we've already given to the union" as some kind of freebie and not even think about it when deciding how much to cough up for wage increases and improvements to other benefits.

This is important to keep in mind: The 20-cent per hour increase in contributions is *not* going to provide additional benefits to CCWIPP members. It's going to address the solvency problem. We don't know why the problem exists. We're quite sure that the members didn't cause the problem, but they're paying, directly and indirectly, to fix it.

What's the problem?

That CCWIPP has a funding problem is beyond dispute. The regulators say that it does and CCWIPP trustees themselves recognize it.

Behind the scenes, major steps have been taken to deal with *the problem*. In a letter dated December 12, 2002 to FSCO officials, CCWIPP Chairman Bernard Christophe advises the regulatory agency that,

> The Trustees have taken a number of steps to discharging their fiduciary duties.

These include no benefit improvements for members, adjusting the scale of benefits and removing subsidies at the lower rates of contributions ("to ensure overall fairness and equity"), further adjustments at the higher contribution levels, reduced benefits granted for each cent of contribution, narrowing the window during which inactive members can stay in the plan and "major reductions to early retirement benefits".

"We would however confirm that no improvements in plan benefits will be considered by this Board as the establishment of contingency reserve is a priority so that the type of difficulties we are now dealing with will not be experienced in the future", Christophe says.

The type of difficulties CCWIPP is experiencing are no secret (funding problems), why they happened in the first place and what the trustees can do about them, is not quite so clear.

The stringent measures Christophe lays out in his letter to the regulator, together with the 20 cent per hour increases to employer contributions should eliminate the deficit in 15 years, assuming continuing returns on investments of 9% and continuing membership growth of 2% per year.

How realistic are these assumptions and why are the trustees being so close-lipped about the issue? What's caused this problem and what are the trustees going to do to get it under control?

Many rosy returns

Net rates of return on a year-to-year basis from 1979 to 2000 are reported as by CCWIPP's actuary. Notice that even in the best of times, the rates fluctuate, sometimes rather wildly.

1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
2.74	5.42	2.20	23.74	18.71	10.07	21.97	12.16	4.88	11.15	13.87

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
2.70	13.57	3.95	16.25	-0.76	12.83	10.00	13.50	5.62	8.22	8.82

While out of one corner of his mouth, CCWIPP's actuary predicts rosy returns and smooth sailing for the next 15 years; out of the other corner he states (in a November 14, 2002 letter to the FSCO) "investment returns are always a difficult issue". He acknowledges that that rate of return for 2001 was -.85% and that "2002 has, to date, been poor".

Pension fund investments have taken a beating over the past couple of years and experts do not predict that the trend will turn around any time soon. According to a recent report by the Dominion Bond Rating Service, 94% of major Canadian pension plans assume they will earn less than 8.5 per cent annually on their investments in the long term. Why is that? Here's what the Royal Bank has to say:

The median returns for all the major asset classes (ex cash) comprising the total database of returns were negative for the quarter. The median return for Canadian equities was -3.8%. The median return for Bonds was -0.6%. The median return for foreign equities (including U.S. stocks) for the quarter was -12.2%.

But this notwithstanding, the actuary expresses cautious optimism about the future:

> In 2003, the Investment Managers believe (barring war, or other trauma) we will see equity returns in the double digits, as the fundamental rules of the marketplace reassert themselves.

The year is half over and there's no sign of any double-digit equity returns. What are these guys talking about?

http://www.globeandmail.com/servlet/ArticleNews/TPPrint/LAC/20030731/RJANE/Columnists/

http://rbcc.royalbank.com/rt/gss.nsf/vwAllByUniqueKey/PCHG-5MGSEP?opendocument

Does the funding problem have something to do with the trustee-directed investments? We don't know. In our third installment, we're going to tell you a lot more about these investments and let you decide for yourselves whether they may or may not be a factor in the funding problem. How can the trustee-directed investments and investment corporations be a factor, you may be asking, when the fund's rate of return from 1990 to 2000 has been 8.6%?

The devil may be in the details.

Fair values or poor excuses

Comments that appear in CCWIPP's Audited Financial Statements throughout the 1990's cause us to question whether the fair value of those investments have been reported accurately.

If you find *that* shocking, read *this*:

> The Fund does not record its investments at market value, other then those in pooled funds where it would be impractical to do otherwise. The Trustees believe that the large fluctuations that are likely to occur in each year's financial statements due to market value movements would not properly report the Fund's annual performance. They feel that large fluctuations over short periods of time would produce results that would not be truly representative of the Fund's annual operations and could be *misunderstood by an inexperienced financial statement reader* (our emphasis). The Trustees are of the opinion that the recording of investments at historical cost, which is less then market value, is a more conservative approach and that nay gains or losses should be recognized when actually realized. Market values are presented in the statements for information purposes.

This alarming statement is found in CCWIPP financial statements from 1991 through 1995 (in 1995 "inexperienced statement reader" was changed to "a typical reader").

In the very least it suggests a certain stunning arrogance on the part of the trustees toward CCWIPP members and toward their responsibilities in relation to reporting on the pension plan they are charged with administering.

What the trustees are saying is that they'd rather not tell the members (inexperienced statement readers that they all are) the fair value of their investments because the members might not understand it or might not understand it the way that the trustees want them to.

It's an extraordinary statement to put into an official document, the purpose of which is to provide reasonable assurance that CCWIPP's financial statement presents fairly the financial position and results of the pension fund at a point in time - in conformity with generally accepted accounting principles. It's even more extraordinary when we consider that this is the document that is being filed with the regulatory agency and that it was filed this way year after year without the regulator getting fussed about it.

If you're having trouble understanding why this is a big deal, imagine a corporation putting such a statement into its annual report or picture what would happen if you put something like this into your next income tax return: "Dear Feds: I'm not reporting my exact income for this past year. This is because I've had a lot of fluctuations in my income over the past few years and don't want you to get the wrong idea about how much I'm really worth."

CCWIPP's financial statements from 1991 through 1995, all contain this additional disclaimer:

> As outlined in the summary of significant accounting policies, the Fund does not record its investments at market value. In this respect the financial statements are not in accordance with generally accepted accounting principles. As a result, investments and net assets are understated. Since independent appraisals were not carried out on the real estate investments, we w ere unable to determine the actual adjustment required.

Despite this big disclaimer, financial statements from 1995 onward do show both the "cost" and a "fair value" for each investment. Presumably it is on those "fair values" that CCWIPP's reported rate of return is based. This practice casts doubt on the accuracy of the published rates of return and on the actual rates of return for the specific investments. It casts a lot of doubt on a lot of things.

If an audited financial statement doesn't show the actual fair value of investments, how is anyone to know what the rate of return on those investments is? If independent appraisals are not carried out, how does anyone know what the investments are worth?

Reporting both "cost" and "fair value" for the trustee-directed investments, gives the impression (to the inexperienced statement reader at any rate) that an actual fair value is being reported. But other notes and finer print in the statements, year after year, clarify that this is not the case and that the fair values reported are in many instances just an *estimate prepared by management*. In other instances, the Auditor advises that fair value information is not available because the investment is a "private placement". In many cases from 1996 onward, the cost and fair value of various investments are shown as the same number, year after year after year.

In 1996, CCWIPP finally changed its accounting policy to record its investments at their real fair value. The change was, however, applied *prospectively* (looking ahead) rather than retroactively (based on actual values arrived at in an objective manner) as is required by generally accepted accounting principles. Further, the financial statement for 1996 also stated "since independent appraisals were not carried out on the real estate investments in 1995, we were unable to determine the actual adjustment required and, therefore, adjustment to net assets at the beginning of the year is based on management's best estimate of fair values of December 31, 1995."

Even more confusing is this statement, variations of which appear in all CCWIPP's financial statements from 1991 through 1996:

> Fair values disclosed in the statements for 1995 are for information purposes only and are based on estimates provided by the Fund's management." Had the Fund's investments been recorded for 1995 at their estimated fair value, the financial statements for 1995 would have been adjusted as follows:

> Investments and net assets available for benefits would have increased by approximately $18,000,000 and investment income would have increased by approximately $17,000,000.

How the auditors know this when they have already stated that they don't know it and, in some instances, can't know it (because no appraisals were done) is another question that inexperienced statement readers can't comprehend.

If you don't know what the fair value is, how can you say how net assets would have been affected if it was included? Alternatively, if you know what it is, why was it not included? Inexperienced statement readers want to know.

Even after 1996, CCWIPP's financial statements continued to contain various proviso's related to the reporting of fair value on its investments.

Despite their admission that fair values for many millions of dollars of investments are simply not reported or are, at best, just an educated guess by people who may be closely connected to the pension fund ("management"), and that this kind of reporting is inconsistent with Generally Accepted Accounting Principles, the plan's auditors, BDO Dunwoody, gave the statements their seal of approval:

> In our opinion, except for the failure to record investments at market value and except for the effect of adjustment, if nay, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of contribution revenue as referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 1995 and the changes in net assets for the year then ended in accordance with generally accepted accounting principles. (Auditor's Report 1995)

If it seems like we're spending a lot of time on this - we are. What's going on here? A financial statement either conforms to GAAP or doesn't. The fair value of an investment is its real fair value arrived at through some objective process and not some manager's best guess. If the value of an investment is not stated accurately, how are the investors ever to know what return is actually being realized and whether an investment strategy is sound or should be abandoned or, in the very least, reconsidered?

In 2002, the CCWIPP trustees stopped reporting on the cost and fair value of specific investments, choosing instead to show a single aggregate number setting out the cost and fair value of their entire portfolio of investments.

A supplementary analysis of assets and liabilities in the 2001 financial statement shows costs and fair values for 63 different investments involving I.F. Propco or numbered companies. The 2002 Financial Statement no longer contains this detailed analysis. All it says is that the value of "Investment Corporations Shares and Advances" is 390,345,324 (fair value) and 446,820,121 (cost).

http://www.ufcw.net/files/pdf/ccwipp-financials-supplement-12-31-01.pdf

http://www.ufcw.net/files/pdf/ccwipp_2002_financial_statement.pdf

Members looking at this financial statement have no way of knowing which investments are doing well and which ones are not. All that can be gathered from the new streamlined method of reporting, is that the vast majority of the funds in these investments (**$259,923,678**) are in "equity, loans and mortgages" and that a whopping $384,875,248 is represented by" advances".

It's enough to make us uneasy that there's something about these investments that the trustees aren't keen about sharing.

CCWIPP - a one of a kind?

But the trustees tell members not to worry. CCWIPP is a large pension fund. It's special (it's a sort of one-of-a-kind pension fund). There are no plans to wind up CCWIPP and the 400 contributing employers aren't all going to bail out at the same time. Besides all that, they're dealing with the problem. They've already reduced benefits. That and an ongoing rate of return on investments of 9% and a 2% increase in membership each year for the next 15 years is all that it will take to fix the problem.

We may be inexperienced statement readers but we're not dumb. CCWIPP sure does have some unique features; we'll grant the trustees that much. But simply being a large, multi-employer pension plan with a diverse investment mix doesn't make CCWIPP special. There are other large multi-employer pension plans with diverse investments. None seem to be experiencing the same problems as CCWIPP. All communicate a lot more with their members about where *their money* is.

CCWIPP is not the only large multi-employer pension fund on the block. Here are a few from Ontario.

1. Hospitals of Ontario Pension Plan
    - http://www.hoopp.com/
2. Ontario Teachers Pension Plan
    - http://www.otpp.com/web/website.nsf/web/home
3. Ontario Pension Board (provincial government workers)
    - http://www.opb.on.ca/investments/invest_assetmix.html
4. Ontario Public Service Employees Union
    - http://www.optrust.com/investments/invmix.asp
5. Ontario Municipal Employees Retirement System
    - http://www.omers.com/

Notice the level of information that these plans make available to their members (compared to the one-page statement that CCWIPP provides to its members and notice also the performance of these other pension plans. None of these pension funds have an unfunded liability or a solvency deficiency. HOOPP and OPSEU both have a $1 billion dollar surplus. OMERS and the OPB are doing so well that they declared a contribution holiday last year.

The fact that these plans cover public sector workers is neither here nor there in our estimation. Money is money, investments are investments. The professionals who decide where to invest money from CCWIPP have the same options, the same opportunities and are governed by the same rules as those who invest funds from public sector workers' pension funds.

A hush falls over the trustees

So if CCWIPP is in trouble why not just come out and tell the members the whole story? It would sure save us a lot of work. The plan **belongs to the members**. Surely they have every right to know what's going on and what's caused the problem? Why the obfuscation?

We are at a loss to understand the trustees desire for secrecy just as much as we are at a loss to understand how a pension fund with $1 billion in assets, that takes in $90 million annually in contributions, that pays out about $72 million last year in benefits, can be this deep in the hole and getting in deeper.

Here's a pension fund with an unfunded liability but it's telling the members a lot about what's going on:

http://www.atrf.com/about/unfunded.asp

Here's another:

http://www.mepp.ca/pubs/q_a_increase_2003.asp

When the Chairman of the Investment Committee says there's no funding problem on a going concern basis, at a time when there's a $97 million (about to become a $190 million) going concern liability, there's cause for concern. When the pension fund's lawyer splits hairs about funding problem vs. funding deficiency and tells a member that information about the fund's investments is off limits, that's cause for even more concern.

All 400 contributing employers are not going to pull out of the plan all at the same time. But what would be the impact if one employer - one of the larger contributors - pulled out? What would happen if George Weston companies, whose contributions account for more than one-third of annual contributions to CCWIPP, left the plan? What would happen if large numbers of members change unions or decertify the UFCW? Where would that leave CCWIPP and the remaining members? If the arrival in the Canadian retail marketplace of Wal-Mart's large format stores has the catastrophic implications for the retail food industry that UFCW representatives have been foretelling, can a wave of business failures by CCWIPP's participating employers be a real possibility?

Salvation through membership growth

As for membership growth, that's another area filled with question marks. But, here CCWIPP's actuary expresses the greatest optimism:

> This plan is unusual, in the area of multi-employer plans, given the industry that it is in, which continues to grow. The primary industry, from which membership is drawn, is the food and beverage industry, in Canada. It covers all provinces, and the vast majority of the employers in the food, food processing, and beverage industry, in the country. Unlike the bulk of the other multi-employer plans, in Canada, this plan is not subject to fluctuations in membership, nor is it overly sensitive to changes in economic conditions locally, regionally, or nationally. Union membership continues to expand. Most importantly, only approximately 2/3rds of the Union membership is presently in the plan and, therefore, the growth rate, on membership in the plan, has been considered to be realistic, but probably conservative. This is particularly true, when the growth in Membership of the Union is taken into consideration.

We suggest that the 1/3 of UFCW members who are not covered by CCWIPP already are not likely to be covered by CCWIPP any time soon. Employers who could be persuaded to join CCWIPP have already done so. Others are not likely to follow, not in any significant numbers. That suggests that CCWIPP's salvation may lie in the UFCW acquiring more new members.

Growing the membership involves organizing new members and then negotiating with employers to join CCWIPP. The UFCW has expanded its membership in leaps and bounds over the past two decades but it has accomplished this largely through mergers and voluntary recognition agreements. There are few small independent unions left in the service industry so merger opportunities are limited. Larger unions, even if willing to merge, have their own pension plans. Getting newly organized employers to agree to participate in CCWIPP or any pension plan for that matter is difficult. The prospect of contributing anywhere up to 75 cents per hour, in addition to the cost of wage increases and other benefit improvements, doesn't appeal to bottom-line conscious entrepreneurs who feel they are in the driver's seat at first contract negotiations.

Voluntary recognition by large employers who can absorb the additional cost of contributing to CCWIPP is about the only viable option for the UFCW if it wishes to grow its membership. But how likely is it that to happen?

It's puzzling. How did we get to this precarious juncture? In our next installment we'll introduce you to the people who have taken us there.

Inexperienced Statement Readers

As we go forward, we want to be clear that we are not accusing the CCWIPP trustees, administrators or other representatives of anything. We are simply looking for answers and trying to *understand*.

Like most pension plan members, or maybe even like most people, we are *inexperienced statement readers* or maybe *typical statement readers* or maybe ***typical inexperienced statement readers***. Apart from those who work as experts in the area of pensions, pretty much everyone we can think of would qualify for the title "inexperienced statement reader". Even the Prime Minister of Canada, we'll bet, is an inexperienced pension fund financial statement reader.

For us inexperienced statement readers, poking around in pension plans, their investments and the rules governing them can be overwhelming. There's so much to know, so many complicated terms and concepts to understand and so many pieces to put together. That, however, does not mean that we should sit back and let the *experienced statement writers* do whatever the hell they please. The complexity of pension funds and pension fund governance is all the more reason for us to demand transparency, ask questions and expect meaningful answers.

Maybe it is the case that all is well with CCWIPP. We hope so. But there are a lot of indicators that all is not well. Several months ago we invited the trustees to answer our questions but they never responded. It's time now that the members know what's going on so they can ask the questions. The trustees owe them some answers.

As we proceed with our future installments, we will put our questions to the trustees, in the text of our articles like this.

We want to know: For whose benefit?

CCWIPP trustees are of course welcome to contact us at any time with the answers or their side of this confusing but important story.

CCWIPP Facts:

CCWIPP Stats	
Active members	185,574
Pensioners	13,492
Non-Vested Terminated Members	308,107
Number of participating employers	456
Total contributions to plan 2002	$92,005,394
Benefits paid in 2002	$72,968,224
Net Assets Available for Benefits, 2002	$1,107,958,997
Value of the Fund	$1,081,165,382

Noteworthy Expenses	
Total administration expenses (2002)	$7,266,806
Fees paid to PBAS (CCWIPP administration company 30% owned by CCWIPP), 2001	$3,401,591
Advances paid to CCWIPP administration companies, 2001	$1,889,839
Fees paid to Benchmark Decisions, 2001	$773,998
Advances (non-interest bearing) paid to Benchmark Decisions, 2001	$12,657 $210,306 (2000)
Investment fees paid to Propco 100 (CCWIPP investment management corporation), 2001	$182,939
Cost of meetings and trustees, 2001	$135,066
PBAS Administration fees:	$17.15 per member (2001) $11.87 per member (1989) 45% increase

#1 Customer	
Amount invested in enterprises connected with Ronald H. Kelly (as at 2001)	$259,000,000(approx.)

Don't Pay a Cent Events	
Unrealized adjustment of investments to fair value (loss), 2001	$37,407,611.00
Loss from investments in investment corporations, 2001	$3,210,906
Investments in default of principle and/or interest payments, 2001	$72,000,000
Amount of "capitalized interest" (interest that is deferred to a future date) on loans and mortgage held by the investment corporations.	$29,000,000

Top 4 contributing employers	
George Weston Limited (Loblaw Companies, Fortino's Supermarkets, Zehr's Markets, Westfair Foods, Provigo Distribution)	$37,642,831
The Great A&P Company of Canada Ltd.	$8,607,647
Canada Safeway (Alberta)	$7,844,627
Canada Safeway (Manitoba)	$3,697,573

The Funding Problem	
Going Concern Deficiency:	
Assets	1,081,165,382
Liabilities	1,271,279,397
Total (Net Deficiency)	190,114,015
Solvency Deficiency:	
Solvency Assets	1,081,165,382
Solvency Liabilities	1,712,232,870
Total (Net Deficiency)	631,067,488

Sources: CCWIPP Financial Statement 2002, CCWIPP Financial Statement 2001, CCWIPP, Actuarial Reports as at December 31, 2000 and December 31, 2002.

Pension Fund Capers from far and wide

Trouble on the UA Riviera

When it comes to union pension fund misadventures the United Association of Plumbers & Pipefitters National Pension Fund is a tough act to follow. To date, the UA's pension fund has poured $800 million dollars into this Florida Hotel. This investment sparked outrage from pension plan members and an investigation by the US Department of Labor which, in the end, reluctantly agreed to let the pouring continue because... so much cash was tied up in it already. More recently the DOL has commenced legal action against the UA pension plan trustees.

> This case is about the trustees' failure to prudently manage and invest their members' pension funds through its involvement in the Diplomat Resort project," said Ann Combs, Assistant Secretary for the Department of Labor's Pension and Welfare Benefits Administration. "Pension trustees purchased and developed the property without the slightest due diligence to determine the financial viability of the project. The Department of Labor even had to require independent management of the project to bring it to proper completion, but the damage had already been done by the trustees' mismanagement.".
>
> (U.S. Department of Labor media release)
>
> http://www.dol.gov/opa/media/press/pwba/PWBA2002533.htm

Pension Funds Go Ponzi

Pension and benefit trust funds affiliated with Local 290 of the Plumbers, Steamfitters and Shipfitters Union in Oregon invested about $40 million with a fly-by-night outfit called Capital Consultants only to see federal regulators seize the firm in September 2000 for running an alleged Ponzi-like scheme. About $29 million of the Plumbers' total was in questionable investments that are either lost or at risk. Members of six unions sued their fund Trustees after the collapse, accusing them of imprudently investing their money. Federal pension law requires Trustees to "utilize the care and skill of a prudent expert in selecting and monitoring" their funds' investments and advisors.

Pension administrator just a golfing fool

Earlier this year, a government-ordered audit found Trustees of the Edmonton Pipe Industry Pension Trust Fund pension fund violated regulations, lost cash on bad deals and took trips with their wives at the fund's expense. According to the audit, the Trustees "jeopardized the future of the plan" and contravened the Employment Pensions Plan Act and the Income Tax Act.

During the course of the audit, it was discovered that the fund's administrator was the CEO of three golf courses owned by the fund, and several Trustees were on the board of directors of companies the fund owns. Auditors discovered that Trustees used plan assets as collateral to borrow $14.5 million for a mortgage, and $8 million US for mortgages for two U.S. golf courses.

UA officials weren't in a hurry for members to learn of the results of the audit. Doug Patterson, a member of the United Association of Plumbers and Pipefitters, Local 488, said he had to ask the government for a copy of the audit after the trust fund's officials refused to give it to him.

UFCW members sue, International officers cover their asses

In the US, six locals of the United Food and Commercial Workers Union are suing the union's International Executive Committee over a whopping $75 million deficit incurred by their pension fund over a one year period in 1998-99. When the suit was filed, executive committee board members promptly voted to indemnify the union's executive committee (International Union president, secretary-treasurer, and three executive vice presidents) who are also administrators of the Pension Plan from any possible financial damages that may occur as a result of the lawsuit.

Other MFD Articles about CCWIPP

Some articles and commentaries from MFD that shed further light on the CCWIPP situation:

The following articles have appeared on the Members for Democracy (MFD) web site over the past couple of years that deal with issues related to CCWIPP, the UFCW pension plan. These will give you a sense of what's been going on, the fascinating web of characters involved and why there are some timely and important issues involved.

Opportunity Knocks focuses on CCWIPP's involvement with a hotel management and franchising firm (AFM Hospitality Corporation) in which it is a major shareholder. The UFCW also represents workers at some of AFM's hotels.

http://www.ufcw.net/articles/docs/opportunity_knocks.html

The Haunted Houses of Labour gets into more depth about the origins of the UFCW's investment adventures in the hotel industry and relationships with HERE and the Textile Processors Union.

http://www.ufcw.net/articles/docs/the_haunted_houses_of_labour.html

Sins of the Father will introduce you to Ron Kelly, a guy who has benefited in enormous ways from CCWIPP investments. Kelly is a former Catholic priest with a murky past who became a real estate tycoon, thanks in large measure to CCWIPP.

http://www.ufcw.net/articles/docs/sins_of_the_father.html

Show us the money is an MFD Weekly commentary that discusses what's wrong with the union pension funds.

http://www.ufcw.net/weekly/archive/Weekly-archive-18-8-2002.html

An Invitation to CCWIPP Trustees, another MFD Weekly piece, is an analysis of the CCWIPP Financial Statement for 2001 and an invitation to CCWIPP Trustees from MFD to come online and discuss their pension plan and its investments. (We're still waiting.)

http://www.ufcw.net/weekly/archive/Weekly-archive-27-10-2002.html

Pension Resources

The following are links to sources of information that we found useful in our investigation. We'll keep adding to this list as we go along and invite you to submit any sources you've come across that you've found useful.

Pension Regulatory Information

- Federal Office of the Superintendent of Financial Institutions
  - http://www.osfi-bsif.gc.ca/eng/pensions/index.asp?pm=0&
- Federal Pension Investment Policy Guidelines
  - http://www.osfi-bsif.gc.ca/eng/documents/guidance/docs/penivst.pdf
- Pension Benefits Act of Ontario (PBA)
  - http://www.e-laws.gov.on.ca/DBLaws/Statutes/English/90p08_e.htm
- PBA Regulation 909 regulation
  - http://www.e-laws.gov.on.ca/DBLaws/Regs/English/900909_e.htm
- Financial Services Commission of Ontario Pension Policies
  - http://www.ontarioinsurance.com/Pensions/PensionP.nsf/6862b35b3162a7d185256888005f5b0f?OpenView

Information about Pension Governance and Administration

- A pension primer from the Association of Airline Flight Attendants
  - http://www.afanet.org/retirement/pension_primer.htm
- WH Stuart information about pensions in Ontario
  - http://can.whstuart.com/pensions.html
- Canadian Institute of Actuaries, Benchmarking pension plan performance
  - http://www.actuaries.ca/publications/proceedings/ag/Vol30no1/20108-11.pdf
- Why sound pension plan investment policies are important
  - http://www.actuaries.ca/publications/1994/9430e.pdf
- Koskie & Minsky (Toronto labour law firm), information about pensions:
  - http://www.koskieminsky.com/Publications/Pensions_Body.htm
- Court decisions on pension issues
  - http://www.koskieminsky.com/Publications/pensions/20020308.htm
- Calculating fair value of investments from the Saskatchewan Management Assessment Agency
  - http://www.sama.sk.ca/sama/41.html#Anchor-3984
- Canadian Institute of Chartered Accountants called for improving disclosure of pension plan performance
  - http://www.cica.ca/index.cfm/ci_id/16390/la_id/1.htm
- Wither the Pension Plan: Accounting Rules Mask Increasing Debt
  - http://www.iveybusinessjournal.com/view_article.asp?intArticle_ID=396
- Women and Pensions, A Report from the CAW
  - http://collection.nlc-bnc.ca/100/200/301/ic/can_digital_colls/caw/pensions.htm
- OMERS Investment Policies and Practices
  - http://www.omers.com/investments-polpract.html
- Actuaries and What They Do
  - http://www.actuaries.ca/about_institute/facts_history_e.html

Watson Wyatt Worldwide, pension and benefits consulting firm, series on pension governance:

- **Part 1:** Importance of pension committees
  - http://www.watsonwyatt.com/canada-english/research/pdf/PenGov_1st.pdf
- **Part 2:** Pension governance reviews
  - http://www.watsonwyatt.com/canada-english/research/pdf/PenGov_2nd.pdf
- **Part 3:** Pension governance review case studies
  - http://www.watsonwyatt.com/canada-english/research/pdf/PenGov_3rd.pdf
- **Part 4:** Governance and the multi employer pension plan
  - http://www.watsonwyatt.com/canada-english/research/pdf/PenGov_4th.pdf

Glossary of Business Terms

- The Washington Post
  - http://www.washingtonpost.com/wp-dyn/business/specials/glossary/
- PowerHomeBiz.com
  - http://www.powerhomebiz.com/Glossary/glossary-E.htm#E
- CNN Money
  - http://money.cnn.com/services/glossary/a.html

Glossary of Pension Terms

- Pension Benefit Guaranty Corporation (U.S.)
  - http://www.pbgc.gov/glossary.htm#T
- Office of the Superintendent of Financial Institutions (Canada)
  - http://www.osfi-bsif.gc.ca/eng/pensions/pensions_glossary_e.asp