



Newsletter

FEBRUARY 2001, VOLUME 27.4
Miroslav Lovric, EDITOR

in this issue:

[New Members](#)

[Know Your Benefits](#)

[Mini Dues Holiday](#)

[Retirement Tip](#)

[Classroom Hotline](#)

[LPC Rep](#)

[Home for Rent](#)

[Pension Performance](#)

[Smile](#)

[Participation Please - MUFA Survey](#)



Don't Forget

to return your written Authorization (the “Ballot”) to our legal advisors, Koskie Minsky, no later than April 30, 2001 indicating your position on the

Pension Surplus Sharing Proposal.



See the MUFA Web page for up-to-date information

Welcome New Members

Kari Dalnoki-Veress

Jessica Nicholson

Nicola Nicolici

David I. Shore

Damu Tang

Physics & Astronomy

HR & Management

Electrical & Comp Eng

Psychology

Medicine

Know Your Benefits: Vision Care

The Plan pays teaching staff and librarians up to \$150 towards the purchase of contact lenses or lenses and frames for eyeglasses, provided that there is a prescribed change in the lenses. A period of 24 months must pass between the dates of purchasing your eyeglasses and no coverage exists for dependents.

If a period of three years passes between any claim for vision care, then the programme will provide a maximum of up to \$200 towards the purchase. No change in prescription is required in this situation.

A programme named Preferred Vision Services (PVS) is available to employees and provides for discounts of up to 20% on the purchase of vision care products through certain providers. A list of these providers can be found on the PVS web site, www.pvs.ca. The discount is available to dependents even though they are not covered by the Vision Care benefits described above.

Mini-Holiday from Dues Payments

Once again MUFA members will see slightly larger paycheques in February and March. The mill rate has been reduced from 5.2 to 1.0 for the months of February and March ONLY. A surplus of income over expenditures for this fiscal year is projected in the Nine-Month Budget review 2000/2001. In addition, MUFA reserves are in a healthy state.



Tip for Married Faculty & Librarians considering Retirement

If your spouse has a good benefit plan at her or his own place of work, it may be that you have not paid much attention to whether your benefits are set up as “family coverage” or “single coverage”. As you approach retirement, this is something that it would be best for you to review. McMaster continues to pay all the premiums on medical and dental benefits into retirement while other plans may require the plan member to take over some or all of the cost. Your coverage continues in the form it is in on the date of retirement — if you have single coverage at that date you will continue to have single coverage. The message is clear — switch to family coverage before retirement or, better yet, right now. There is no reason not to switch (though there was once a reason not to switch when we paid our own OHIP premiums). You might think you are doing McMaster a good turn by registering for “single” coverage. You are not. It is true that family coverage is more expensive to buy from an insurance company, but McMaster self-insures. Insurance companies only manage the plan for us.

An example might help to convince you this is a matter worth checking into. A faculty member who recently took an early retirement package discovered that his spouse no longer had any medical coverage. His spouse had a very good plan of her own and always used that plan so the faculty member never paid much attention to how his coverage was set up. On retirement, his spouse took a cash “termination benefit” from her employer rather than a pension. By doing this, however, she lost her own medical coverage. As the McMaster employee had only single coverage at retirement, this is what he kept after retirement. The moral of the story: check your coverage now.

*Les Robb
Professor of Economics*



Classroom Hotline! Ext. 23073

No chalk or erasers? Students falling off broken seats? No lights? Blackboard crashing at your feet? The list goes on.

On January 3, 2001, the Provost and the VP Administration introduced the Classroom Hotline (Ext. 23073). Instructors should call this hotline if they have problems in their classrooms. You can also contact the Classroom Hotline via e-mail at vpadmin@mcmaster.ca. Scheduling issues or disconnects between class size and classroom capacity should continue to be referred to the Scheduling Office at Ext. 24453 or bookings@mcmaster.ca.

The Classroom Hotline will be answered between 9:00 a.m. and 5:00 p.m. If the person is temporarily out of the office, please leave a message and someone will call you back within the hours. If you call after 5:00 p.m., please leave a message and you will be called back the next morning. Immediate classroom emergencies that occur after 5:00 p.m. — such as no heat, locked classroom, broken water pipes — should be reported to Security at Ext. 24281.

MUFA Librarians Choose LPC Rep

The Policy on Librarian Classification and Salary Administration, which was approved by the Provost on October 13, 1998, provides for a Levels and Promotions Committee (LPC) on which two librarians (one from Health Sciences and one from the University Library system), elected by all MUFA librarians are to sit.

Jennifer Cardwell has been acclaimed as the representative of the Health Sciences Library for a two-year term, effective March 1, 2001. She replaces Anne McKeage. have counted the ballots which were distributed to all MUFA members on the Career Progress/Merit Plan on November 20, 2000 requesting a YES or NO response to the following question:

Sabbatical Home Available for Rent

Three-bedroom, furnished house available for rent from July 1, 2001 to July 1, 2002. Located on a dead-end street that meets the Rail Trail in Dundas — 25 minute walk to McMaster, 15 minute walk to downtown Dundas, and 2 minute walk to University Plaza. Two bathrooms and large backyard. Close to public elementary school. Non-Smokers and no pets. Rent negotiable. Phone 905-525-9140, ext. 24361.

McMaster's Pension Plan

A Performance Review

Actuarial Valuation of the Pension Plan as at July 1, 2000

Excerpts from Report to the Pension Trust Committee

Prepared by William M. Mercer Ltd.

When conducting a valuation on a going-concern basis, the relationship is determined between the respective values of assets and accumulated benefits, assuming the Plan will be maintained indefinitely.

FINANCIAL POSITION: The results of the valuation as at July 1, 2000, in comparison with those of the previous valuation as at July 1, 1999, are summarized as follows:

Financial Position - Going-Concern Basis (\$000's)

	July 1, 2000	July 1, 1999
Actuarial value of assets	\$ 967,325	\$ 915,416
(adjusted for in-transit items)		
Actuarial liability		
Present value of accrued benefits for:		
Active Members	\$ 348,165	\$ 338,016
Pensioners & Survivors	277,087	256,302
Deferred Pensioners	1,959	1,803
Additional Voluntary Contributions	107	105
Inactive - status undecided	15,733	13,411
Total liability	\$ 324,274	\$ 609,637
FUNDING EXCESS (unfunded liability)	\$ 324,274	\$ 305,779

CURRENT SERVICE COST: The estimated value of the benefits that will accrue on behalf of the active members during 2000/2001, in comparison with the corresponding value determined in the previous valuation as at July 1, 1999, is summarized below:

Employer's Current Service Cost (\$000's)

	July 1, 2000	July 1, 1999
Total Current Service Cost	\$ 22,928	\$ 21,881
Estimated members' required contributions*	\$ 5,936	\$ 5,721
Estimated employer's current service cost	\$ 16,992	\$ 16,160
Employer's current service cost expressed as a percentage of members' contributions	286%	282%

*Members will contribute 50% of this amount during the 2000/2001 and 2001/2002 Plan years. The remainder will be funded through surplus assets in the Plan.

MEMBERSHIP DATA: Plan membership data is summarized below.

Plan Membership

	July 1, 2000	July 1, 1999
Active Members	2,889	2,791
Pensioners and Beneficiaries	1,081	1,026
Deferred Pensioners	60	59
Inactive-Status Undecided	307	302
TOTAL MEMBERSHIP	4,337	4,178

Combined Managers: Asset Commitment Comparables

	Market	Value	Asset	Mix				
	Jun99	Sep 99	Dec99	Mar00	Jun00	Min	Bench	Max
	%	%	%	%	%	%	%	%
EQUITIES								
Canadian (JF/Linc)	19.2	17.5	18.0	17.9	17.6			
Canadian (Index)	11.5	0.0 ³	0.0	0.0	0.0			
Total Canadian	30.7	17.5³	18.0	17.9	17.6	10	19	45
U.S. (JF/Linc)	10.1	8.2	7.8	7.1	6.8		6	
U.S. (Derivative) ¹	6.5	11.2 ³	12.2	12.3	11.5		12	
Non-North American								
(Temp/Brin)	10.6	9.2	10.0	9.5	9.5		9	
(Derivative) ¹	0.0	8.9 ³	10.2	10.2	9.7		9	
Total Foreign	27.2	37.5³	40.2³	39.1	37.5	25	36	50²
TOTAL EQUITIES	57.9	55.0³	58.2³	57.0	55.1	35	55	75
FIXED INCOME								
Bonds (JF/Linc)	23.6	21.6 ³	20.3	20.9	21.5			
Bonds (Index)	14.4	20.1 ³	19.0	19.3	19.1			
Total Bonds	38.0	41.7³	39.3³	40.2	40.6	25	42	50
Cash	4.1	3.3	2.5	2.8	4.3	0	3	15
TOTAL FIXED INCOME	42.1	45.0³	41.8³	43.0	44.9	25	45	65
TOTAL FUND	100.0	100.0	100.0	100.0	100.0			

³change in weighting of +/- 2% since previous quarter — ¹Deemed to be Canadian content —

²Maximum of 20% by book value

COMMENTS: The market value of the Fund increased by \$19.3 million during the quarter from \$952.3 million on March 31, 2000 to \$971.7 million on June 30, 2000 after accounting for net cash withdrawals of \$6.5 million.

The above table provides the breakdown of the Fund by asset class. The equity component declined slightly to 55.1% and the fixed income component increased to 44.9%. The changes were primarily because of sales of Canadian and U.S. equities by the two balanced managers. All asset class components

were within the Policy guidelines at the end of the second quarter.

Prepared by James P. Marshall, Inc.

Patience under Pressure



The story behind the letter below is that there is this fellow in Newport, Rhode Island who digs things out of his backyard and sends the stuff he finds to the Smithsonian Institute, labelling them with scientific names, insisting that they are actual archaeological finds. This chap really exists and does this in his spare time!

Anyway, here's the response from the Smithsonian Institution. Bear this in mind next time you think you are challenged in your duty to respond to a difficult situation in writing....

Dear Sir:

Thank you for your latest submission to the Institute, labelled "93211-D, Layer seven, next to the clothesline post...Hominid skull."

We have given this specimen a careful and detailed examination and regret to inform you that we disagree with your theory that it represents conclusive proof of the presence of Early Man in Charleston County two million years ago. Rather, it appears that what you have found is the head of a Barbie doll, of the variety that one of our staff, who has small children, believes to be "Malibu Barbie".

It is evident that you have given a great deal of thought to the analysis of this specimen and you may be quite certain that those of us who are familiar with your prior work in the field were loathe to come to contradiction with your findings. However, we do feel that there are a number of physical attributes of the specimen which might have tipped you off to its modern origin:

1. The material is moulded plastic. Ancient hominid remains are typically fossilised bone.
2. The cranial capacity of the specimen is approximately 9 cubic centimetres, well below the threshold of even the earliest identified proto-hominids.
3. The dentition pattern evident on the skull is more consistent with the common domesticated dog than it is with the ravenous man-eating Pliocene clams you speculate roamed the wetlands during that time.

This latter finding is certainly one of the most intriguing hypotheses you have submitted in your history with this institution, but the evidence seems to weigh rather heavily against it. Without going into too much detail, let us say that:

1. The specimen looks like the head of a Barbie doll that a dog has chewed on.

2. Clams don't have teeth.

It is with feelings tinged with melancholy that we must deny your request to have the specimen carbon-dated. This is partially due to the heavy load our Lab must bear in its normal operation, and partly due to carbon-dating's notorious inaccuracy in fossils of recent geologic record. To the best of our knowledge, no Barbie dolls were produced prior to 1956 AD and carbon-dating is likely to produce wildly inaccurate results.

Sadly, we must also deny your request that we approach the National Science Foundation Phylogeny Department with the concept of assigning your specimen the scientific name *Australopithecus spiff-arino*. Speaking personally, I, for one, fought tenaciously for the acceptance of your proposed taxonomy, but was ultimately voted down because the species name you selected was hyphenated and didn't really sound like it might be Latin.

However, we gladly accept your generous donation of this fascinating specimen to the museum. While it is undoubtedly not a Hominid fossil, it is, nonetheless, yet another rivetting example of the great body of work you seem to accumulate here so effortlessly. You should know that our Director has reserved a special shelf in his own office for the display of the specimens you have previously submitted to the Institution and the entire staff speculates daily on what you will happen upon next in your digs at the site you have discovered in your Newport backyard.

We eagerly anticipate your trip to our nation's capital that you proposed in your last letter and several of us are pressing the Director to pay for it. We are particularly interested in hearing you expand on your theories surrounding the trans-positating fillifitation of ferrous ions in a structural matrix that makes the excellent juvenile *Tyrannosaurus Rex* femur you recently discovered take on the deceptive appearance of a rusty 9-mm Sears Craftsman automotive crescent wrench.

*Yours in Science,
Harvey Rowe, Chief Curator-Antiquities*

Participation Please!!!

Two issues have arisen in our Joint Committee discussions for which we need feedback from you, our MUFA membership.

1. The first issue, rescinding the option to delay joining the McMaster Pension Plan until the July 1 following appointment, involves both MUFA faculty and librarians. Under our current Plan, newly hired individuals are given the choice either to join the Pension Plan immediately or to put it off until the following July 1 when they automatically become members of the Plan. The MUFA Executive proposed changing this option and making all faculty and librarians enrol in the Pension Plan from the date of appointment. We discussed the advantages (e.g., no pension contribution, hence more disposable income in the first year of service) and the disadvantages (e.g., the loss of a year of service toward retirement) of the current option. The Executive decided that faculty and librarians were losing more than they were gaining by taking their first year off from pension contributions. Therefore, they believed that the first year choice should be eliminated. This has been proposed at the Joint Committee and we have been assured that this can be done through an amendment to the Plan. The Vice-President (Administration) is polling other groups (The Management Group, MUSA, etc.) to see whether they believe this is a good option for them as well. This change would have no effect on current members, but only individuals hired in the future.

2. The second issue (which relates to MUFA faculty) that has come to the fore is the change of evening class times for the 2000/2001 academic year. As you are aware, the starting time for evening classes was changed from 6:30 pm to 7:00 pm in September 2000. This was done to accommodate the 5:30 to 6:30 pm slot, i.e., to allow time between the “twilight” classes and evening classes. The Provost is trying to determine whether this time change has been helpful or whether we should return to the 6:30 pm time.

We would appreciate your comments on one or both of these issues. Your input will be carefully considered in resolving the two items. We have provided space below for your response which should be forwarded to the MUFA Office (HH-103A). You can also comment electronically at mufa@mcmaster.ca

Bernadette Lynn
MUFA President



1. I agree that the option to delay joining the McMaster Pension Plan until the July 1 following appointment should be rescinded. YES _____ NO _____

COMMENTS:

2. I prefer the change from 6:30 pm to 7:00 pm as the start time for evening classes.
YES _____ NO _____

COMMENTS:

March 9, 2001
pdk