

## FEBRUARY 2008 - LL764 PENSION COMMITTEE REPORT

Last month I talked a little bit about the retirement process and the pension benefit selection package to notify the Company of your preferred payment option.

The Company will send you a second selection package, very similar to the first one you completed for your money. This second package is to select your insurance and extended health benefit options. They will not send it to you until the first package of monetary selection forms and documents is completed and finalized. This usually occurs three (3) to five (5) weeks **after** you retire.

Air Canada provides a \$10,000 death benefit to all retirees free of charge if they have 15 years or more of Air Canada service. Employees with less than 15 years of service are prorated at 1/15<sup>th</sup> of that amount for each year of service. Ex-CAIL employees retiring in 2008 for example, would be entitled to 7/15<sup>th</sup> or \$4666.

Your insurance selection package will give you an option of four (4) optional insurance policies you may wish to purchase. The coverage terms, amounts and premiums are described in that paperwork.

The ex-CAIL members will also get to select one (1) of three (3) extended health plans. The OAC members get to choose one (1) of two (2) plans. Air Canada provides a Basic extended health plan free of charge to members who have 15 years or more of AC service. It is prorated the same as the death benefit.

The 2<sup>nd</sup> extended health plan is called the Voluntary Supplemental Health Plan (VSHP). The premiums are subsidized by AC with the balance paid for by the retiree. The rates vary from province to province and are available on the Aeronet on the last page of the pdf file that contains the details of the Basic plan and the VSHP plan. The VSHP is almost identical to the extended health plan we have as active employees. There are 2 major differences. Eye glasses and contacts are not covered and the dental coverage is reduced to about \$800 per year. The VSHP insurance provider is Sunlife.

The ex-CAIL retirees have a 3<sup>rd</sup> option and that is a Blue Cross plan that was available to CAIL retirees pre-merger and it remains as an option for them.

For the first 30 days after you retire, you continue to be covered as an active employee on the GWL and Manulife Plans. On day 31 you will transition to whichever retirement plan you choose. You will be covered seamlessly in this time frame even though you may not have finalized your selection package. You simply save your receipts and submit them for reimbursement to your new plan after your paperwork is complete and you are registered with that plan provider.

The Company will withhold \$150 per month from your pension cheques until you have completed and returned your selection forms. They will keep the required amount to pay the premiums for the policies and plans you have selected and refund the difference. Each month after that, they will simply deduct the premiums and income tax owed from your pension and pay you the balance. You will think you are still working.

Email is the most effective way to reach me. I may be contacted at [pres764@telus.net](mailto:pres764@telus.net) with any questions or concerns that you may have.

Respectfully Submitted,

Christopher Hiscock  
Chairman, LL764 Pension Committee