

## MAY 2008 - LL764 PENSION COMMITTEE REPORT

On April 16<sup>th</sup>, the Ex-CAIL Pension Committee met with the Employer in YVR for our biannual meeting. Like the 3<sup>rd</sup> Quarter report from our November 2007 meeting the 4<sup>th</sup> Quarter 2007 financial news was not good. It was a continuation of the market downturn sparked by the sub-prime and asset backed mortgage meltdown.

The net result was a -0.7% return on Master Trust Fund assets for the quarter and -0.3% return on assets for the year. The 30 year bond rate (used to determine the liabilities of the plan) was down slightly at 12/07 from 12/06. This may very well mean a slight increase in the Plan deficit numbers. We will have to wait for the December 31<sup>st</sup>, 2007 Actuarial Report for the final verified numbers. This report is given to Air Canada by the actuaries at the end of June each year and released to the public in August.

These same market trends continued into the 1<sup>st</sup> Quarter of 2008 but have slowed considerably due to the intervention of the Central Banks in the marketplace. The long term effects of that action is yet to be seen.

The Company held pension seminars in YVR, YWG, YYZ and YUL in April. They sent out 1059 invitations to employees who either had at least 29 years of service, 85 points or were age 60. They ran one seminar at each base except YUL where they ran 2 with a maximum of 40 people in each seminar for a total of 200 seats. All of the seminars were full and a number of employees were denied attendance because of space constraints.

At this rate it will take 2 ½ years for remaining 850 people to get the chance to attend a seminar and that does not take into account the employees who will reach these milestone requirements in that 2 ½ year period. We informed the Company that they need to seriously consider putting on more seminars in the fall, particularly in YVR because of the high average seniority of the members at the base. They are taking it under consideration and will be having discussions with DL140 with respect to the fall seminars they have planned.

Because of the demand for seminars and our belief that the seminars should be available to all employees regardless of age or length of service, we will be holding 2 seminars of our own next month on Tuesday, June 17<sup>th</sup> and Thursday, June 19<sup>th</sup>, 2008. They will be held at the Local Lodge offices on River Road at 16:00 on both days. We would ask all members interested in attending to please fax your name and phone number to the Local so that we plan accordingly. The fax number is 604-273-9670.

Spouses are always welcome and indeed are encouraged to attend. There is a lot of information provided and 2 sets of eyes and ears are always better than 1. If you don't believe me, ask the owner of the other set you will be bringing with you. Attendance is on your own time for our seminars and the dates are picked so that we straddle both sides of most ramp 4x4 shifts. 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