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Fall Newsletter 2017

PRESIDENT'S MESSAGE

Peter Baumgartner

Alas, the daylight hours are rapidly dwindling meaning that it's time for the Fall General Meeting (FGM). The FGM is scheduled for **2017 October 12**, at our usual venue, the Pinawa Alliance Church, at **1:00 P.M**. It will be preceded by a complimentary soup-and-sandwich lunch at noon. If you have a guest who would like to join us for lunch, the charge is $10.00 that will be refunded if your eligible guest joins our Branch. Our speaker for the afternoon will be George Montgomery, our Eastern Manitoba Branch Newsletter Editor and Website Manager. The title of the talk is "What's New on Our Association's Website".

We plan to continue to distribute the meeting notice in our Fall Newsletter which is being sent by e-mail. Members without e-mail are receiving theirs by regular post. This keeps our mailing costs down and has made the task of our phoning committee easier. We will also continue to place advertisements in the Clipper and on Pinawa's Channel 12 website—http://s885.photobucket.com/user/sullivanp/embed/slideshow/ .

Our Executive Board was updated at the Branch Annual Meeting on 2017 April 06. Wayne Greenlay filled the vacant VP position. Donna Wuschke replaced Peter Cliche as Health Benefits Officer and Maureen Macdonald replaced George Montgomery as Membership Chair. There was no candidate for the position of Secretary vacated by long serving Kay Harvey. A warm "thank you" is extended to our parting volunteer board members. No one is getting any younger and we need to mentor backups for all Executive positions. Please consider helping us out, especially in the Secretary position.

At the District level, Wayne, Maureen and I participated in the last May's Prairie District Director's meeting hosted by Director Ann Ashcroft. Mainly we discussed the resolutions that would be put forward at the Annual Members Meeting (AMM) in Ottawa on 2017 June 14–16. The resolutions addressed changes in the Association's Governance (Regulations), and in policies including the transition in Regional Services Officers (RSO) and Provincial/Territorial Advocacy Officers (P/TAO). The District Branch Presidents supported all but one of the resolutions recommended by the National Board of Directors (NBOD). Our local Branch Board supported the recommendations from this meeting.

I participated in the 2017 AMM without having the opportunity to mentor someone else from our Branch. The general impression repeat attendees discussed was the team rebuilding since the 2015

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kerfuffle involving the Strategic Plan. senior management, and staff. Most if not all of the transition from the Federal Superannuates National Association (FSNA) to the National Association of Federal Retirees has been completed and smoothed out. Now our Association is well focused on its Advocacy role. The AMM was rounded off by the Volunteer Recognition Dinner hosted by Johnson, Inc.

The sale of old/purchase of new larger National office building came in significantly below budget. They will be renting out the lower floor as a source of revenue. Our full-time CEO, Simon Coakeley, has had over a year to settle in and learn the ropes from both the President/Board of Directors, and his Office team.

Our Association's litigation against Treasury Board about unilateral changes to the Public Service Health Care Plan (PSHCP) was heard by the Federal Court in April. The ruling came out in August, siding with the Government of Canada. We have until the end of September to decide whether to appeal. Next year, expect to pay 50% of the subsidized PSHCP premium.

George Montgomery and I will be attending the Regional Learning Conference in Winnipeg on September 20-22. Key topics include volunteer recruitment and engagement and membership recruitment strategy.

Please visit our Association's website (www.federalretirees.ca) to keep up to date with advocacy, senior's issues and news and views.

I hope that our Texas snowbirds find a dry roosting spot this winter. I also send "Season's Greetings" to our membership and families.

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BENEFITS CORNER

Donna Wuschke & Gary Simmons

Supplementary Death Benefits Available to Retired Public Servants

The estate or survivors of deceased pensioners who received a Public Service Superannuation and a Canada Pension Plan pension may be eligible for death benefit payments on their passing. This note is provided to give retirees some information on pension-related death benefits so that they may investigate the details of their personal situation.

Canada Pension Plan (CPP) Death Benefit

The CPP death benefit is a one-time lump sum payment payable to the estate of the deceased recipient or, if there is no estate, to the person or institution responsible for the funeral expenses, surviving spouse or common-law partner of the deceased, or next-of-kin of the deceased. The amount of the death benefit is equal to 6-months of the pension the deceased would receive at age 65 to a maximum of $2,500.00.

The responsible party for estate of or survivors of the deceased must complete and submit *"Application for a Canada Pension Plan Death Benefit"*.

Reference:
www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-death-benefit.html

Public Service Superannuation Group Insurance

Retired Members of the Public Service receiving Public Service Superannuation Pension

NB: Some Crown Corporations such as Atomic Energy of Canada Limited (AECL) have different plans-*see below*.

The Supplementary Death Benefit plan, which applies to almost all public service employees who contributed to the public service superannuation pension plan, is a decreasing life insurance benefit. If the employee elects to continue death benefit coverage on retirement, the initial benefit is a lump sum payment equal to about twice annual salary. At age 65, a $10 000 amount of the insurance is paid up (i.e., no further premiums will be collected for this paid-up amount). Starting at age 66, the balance of the coverage decreases by 10% of the initial amount each year to zero at age 75 leaving only $10,000 of paid-up insurance. The premium for the balance of this coverage is the same premium as paid by the public service employees and decreases with the amount of coverage to the zero at age 75.

If a retiree has chosen not to continue the decreasing term insurance part of the death benefit, the retiree will have $10,000 paid up insurance at age 65. If still employed at age 65 the employee is entitled to a paid-up coverage of $10,000 for life and this amount will be deducted before the premiums for the balance of the death benefit coverage are calculated.

Reference: https://www.tpsgc-pwgsc.gc.ca/remuneration-compensation/services-pension-services/pension/video/psdd-sdb-eng.html

Crown Corporation Retirees who Receive a Public Service Superannuation Pension

The Public Service Superannuation Act allows Crown Corporations to establish their own supplementary death benefit plans. Retirees from a Crown Corporation should determine the death benefit that applies to their former employer. AECL's Supplementary Death Benefit Plan is described below.

As a Crown corporation, AECL established an independent SDB plan on 1990 April 1 that was Supplementary Group Life Insurance coverage (AECL's Whiteshell employees were advised of this change in a memorandum from G. Magura dated 1990 February 26). The death benefit is equal to the employee's annual salary, reduced by 10% a year following age 60 to a minimum of $500 of paid up insurance at age 70. At age 65, a $500 portion of the death benefit is paid-up (i.e., no further premiums will be collected for this amount). The premium paid for the balance of the coverage is the same as charged to those still employed and decreases with the death benefit amount to zero at age 70, leaving only the paid up insurance of $500.

At this time, this plan is administered by Cowan Insurance Group, 700 – 1420 Blair Place, Ottawa, Ontario K1J 9L8.

Manitoba Regulations and MEDOC Claims

If you have an out-of-province medical issue and use MEDOC, their representative will pay medical bills and co-ordinate the submission of reimbursement claims to Manitoba Health, Public Service Health Care Plan and MEDOC. As Manitoba regulations prohibit Manitoba Health from dealing with third parties (i.e., MEDOC's representative), they will forward reimbursement directly to you rather than to MEDOC's representative. In order to reimburse MEDOC for the expenses they have paid on your behalf, you must cash any cheque that you receive from Manitoba Health and forward a personal cheque for the same amount and copies of all communications to MEDOC's representative.

New Revenue Canada Regulations That Could Affect Your 2017 Income Tax Return

Double Dip with the New Home Accessibility Tax Credit

A new non-refundable tax credit that will help families who need to spend money to make a home accessible to a disabled person was available for the first time in 2016. It is worth up to $1500, and more if you double dip-which is possible and legal.

The Home Accessibility Tax Credit is possible for the cost of renovations or alterations to a home if someone in the family is at least 65 years of age or eligible for a Revenue Canada Disability Tax Credit. To claim this credit, you must complete Schedule 12 on the T1 tax return. The expenses must allow the disabled individual to improve his safety or mobility in the home. The maximum credit is 15% of $10,000 or $1500. Where more than one taxpayer qualifies for this credit, it can be split between taxpayers as long as the total cost of the renovations claimed does not exceed the maximum $10,000 allowed.

The criteria for the renovations are similar to those claimed as medical expenses for a disabled individual. This is where the double dip comes: if the renovations qualify, both credits may be claimed for the same expenses.

An eligible dwelling is one ordinarily inhabited at any time during the taxation year by the qualifying individual. So if you are supporting a disabled spouse, or infirm adult dependent, keep receipts for renovations that make your home more accessible. If you missed this benefit on your 2016 tax return, and have the required receipts, you may claim it using the Revenue Canada tax form T1-ADJ (E).

Reference:
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-398-home-accessibility-expenses.html

The First Time Donor's Super Tax Credit: Use it Before it Disappears in 2018

The *First Time Donor's Super Credit* supplements the value of the charitable donations tax credit by 25% on any charitable gift of money made after March 2013, by a first-time donor, up to a maximum of $1000, for any one taxation year from 2013 to 2017. You are considered a first-time donor if neither you nor your spouse have claimed and been allowed a charitable donations tax credit for any year after 2007. Your 2017 tax return will be your last opportunity to claim this benefit.

Reference:
https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-349-donations-gifts/first-time-donor-s-super-credit.html

Reporting the Sale of a Principal Residence

The *Principal Residence Exemption* is an income tax benefit the generally provides you an exemption from tax on the capital gain realized when you sell the property that is your principal residence

On October 3, 2016, the Government announced an administrative change in the reporting requirements for the sale of a principal residence. Starting with the tax year 2016, you are required to report the following information on your income tax return when you sell your principal residence: date of acquisition, proceeds of disposition and description of the property. This sale must be reported on *Schedule 3, Capital Gains* of the *T1 Tax and Benefit Return*. According to Revenue Canada, 'this change will improve compliance and administration of the tax system'.

Tax experts believe that this reporting change is to identify those who sell properties that may not qualify as a principal residence. Some examples are:

- a house that was not ordinarily inhabited in each year of ownership by the seller, or
- -'quick flips', or short holding periods. Although the legislation does not specified a minimum residence time that would not be considered 'flipping', it appears that if your residence time is less than about two years, it would be wise to consult Revenue Canada.

It is expected that the new reporting requirement will give rise to many more homeowner audits and assessments, and an increase in denials of the principal residence exemption.

Reference: https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/does-canada-revenue-agency-address-non-compliance-real-estate-sector.html

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MEMBERSHIP NEWS

Maureen Macdonald
Membership Chair

Note: Need a new member card? Contact us (see Pg. 1 footing)

Membership (on record as of 3 September 2017):

	2017-09	2016-09
Total Double Households	258	252
Total Single Households	174	169
Total Regular Households	432	421
Total Non-DDS* Households	33	18
Total DDS* Households	400	402
Total Active Members	691	672

*Direct Deduction from Source

Members or spouses deceased since last General Meeting:

Grant Bailey
A.H. Beibrich
John Burgoyne
Patricia Dawson
Don Zetaruk