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ANNUAL MEETING - JUNE 1974

INTERNATIONAL FISHERIES COMMISSIONS PENSION SOCIETY

MINUTES OF THE MEETING OF DIRECTORS

Held at the Washington Plaza Hotel, Seattle,
Washington, on the 18th day of April, 1974 at 8:30 a.m.

Present:	R.J. Myers	E.B. Young
	H.D. Clark	H. Heymann
	J.M. Patton	R.J. Kelly.

Mr. Clark, President of the Society, acted as Chairman of the meeting, and Mr. Kelly was Secretary. Dr. W.M. Sprules, a former director of the Society, was present in a consulting capacity and Mrs. S. Wiggin, of the Canadian Department of the Environment, was present to provide administrative assistance to the Directors.

1. The proposed agenda was adopted.
2. The Secretary tabled Order in Council, P.C. 1974-1/69 dated January 8, 1974, which appointed Mr. E.B. Young as a Canadian member of the Society replacing Dr. W.M. Sprules who had retired from the Canadian Public Service and the Society.
3. The Minutes of the Meetings of the Directors held on April 26 and 27, 1973, at Halifax, Nova Scotia, were approved on the motion of Mr. Myers and seconded by Mr. Patton.
4. The Secretary provided the Directors with a report of Society business covering the period since the last meeting of the Directors held in April, 1973. All Commissions had been visited by the Secretary and the officials of each Commission had a number of problem areas which were discussed and in many cases resolved. Other concerns were to be referred to the new Directors for resolution at the Seattle meetings. Each Commission reacted quite positively to the President's letter dated August 24, 1973, which provided an historical review of the Society and highlighted the decisions taken at the annual meetings. It was the wish of each Commission that this type of annual report of the Directors' meetings be continued.

It was reported that the new procedures to obtain statistics were generally satisfactory and minor changes would be made in the forms to be completed by the Commissions to correct some ambiguities.

Because of changes in the U.S. Social Security taxable earnings base, the three pension policies for the Commissions located in the U.S.A. were amended to take into consideration the new base of \$10,800, effective October 1, 1973.

Amendments Nos. 16, 17	International North Pacific Fisheries Commission Policy No. 7218-G.
Amendment No. 9	Inter-American Tropical Tuna Commission Policy No. 9303-G.
Amendment No. 2	All Commissions, Long Term Disability Policy No. 12376-GD.

7. The Directors were advised that the Canadian Department of National Revenue had registered the following amendments for income tax purposes:

Amendments Nos. 15, 16, 17 - Policy No. 7218-G.

Amendments Nos. 15, 16 - Policy No. 7203-G.

Amendments Nos. 20, 21, 22 - Policy No. 7202-G.

8. There being no other business, the meeting resolved itself into the Annual General Meeting of the Society at 10:30 a.m.

INTERNATIONAL FISHERIES COMMISSIONS PENSION SOCIETY

MINUTES OF THE ANNUAL GENERAL MEETING

Held at the Washington Plaza Hotel, Seattle, Washington, on the 18th day of April, 1974, at 10:30 a.m.

Present:	R.J. Myers	E.B. Young
	H.D. Clark	H. Heymann
	J.M. Patton	R.J. Kelly.

Mr. Clark acted as Chairman of the meeting and Mr. Kelly was Secretary. Dr. W.M. Sprules, a former member of the Society, was present in a consulting capacity; and Mrs. S. Wiggin, of the Canadian Department of the Environment, was present to provide administrative assistance to the Society.

1. The proposed agenda of the General Meeting was adopted.
2. The Minutes of the Annual General Meeting and the meetings of the Directors held on the 26th and 27th of April, 1973, at Halifax, Nova Scotia, were approved on the motion of Mr. Myers, and seconded by Mr. Young.
3. The Report of the Directors for the policy year ending September 30, 1973, was approved on the motion of Mr. Kelly and seconded by Mr. Myers.
4. The Report of the Auditor covering the financial year of the Society ending September 30, 1973 was presented by the 1973 Treasurer of the Society, Mr. H. Heymann. On the motion of Mr. Patton, seconded by Mr. Young, the report was accepted and the Secretary was instructed to convey to the Auditor General of Canada the appreciation and thanks of the Society for his services and to request that he accept the responsibility for the audit of the financial year ending September 30, 1974.

5. The Acts of the Directors and Officers of the Society during the preceding year were ratified on the motion of Mr. Young and seconded by Mr. Patton.
6. The following, having been duly nominated, were elected Directors for 1973-74 by ballot:

R.J. Myers	H.D. Clark
J.M. Patton	E.B. Young
H. Heymann	R.J. Kelly.
7. The Directors passed a unanimous resolution expressing their appreciation of the assistance provided to the Society by Mrs. S. Wiggin during the past year. The Secretary was directed to prepare a letter, for the signatures of the President and Vice-President, to the Canadian Department of the Environment thanking that agency for the administrative support given to the Society and to request that it be continued.
8. The Annual General Meeting concluded at 11.00 a.m. on the motion of Mr. Young, seconded by Mr. Heymann.

INTERNATIONAL FISHERIES COMMISSIONS PENSION SOCIETY
MINUTES OF THE MEETING OF THE NEW DIRECTORS

Held at the Washington Plaza Hotel, Seattle,
Washington, on the 18th and 19th day of April, 1974,
beginning at 11.00 a.m. on April 18.

Present:	R.J. Myers	E.B. Young
	H.D. Clark	H. Heymann
	J.M. Patton	R.J. Kelly.

Mr. Clark acted as Chairman of the meeting and Mr. Kelly was Secretary. Dr. W.M. Sprules, a former director of the Society, was present in a consulting capacity and Mrs. S. Wiggin, of the Canadian Department of the Environment, was present to provide administrative assistance to the Directors.

1. The proposed agenda was adopted.
2. The officers for the ensuing year were elected as follows:

President:	R.J. Myers
Vice President:	H.D. Clark
Treasurer:	J.M. Patton
Secretary:	R.J. Kelly
3. The meeting recessed at twelve noon to allow the Directors to visit the International Pacific Halibut Commission. The Executive Officers of the Commission met with the Directors of the Society until 3.30 p.m., when a general meeting with the staff of the Commission took place. An observer from the Pacific Salmon Commission was present and took part in the discussions. The meeting of the new Directors resumed at the Washington Plaza Hotel at 8.30 a.m. on April 19.

4. A review of the changes in the pension legislation for both member countries was presented.

Mr. Myers reported that the U.S. Social Security maximum wage base would be increased to \$13,200 from \$10,800, effective October 1, 1974. On January 1, 1975, the maximum wage base would rise to \$14,000. These changes make it necessary to amend the policies for the Commissions located in the United States to take into consideration the \$13,200 base effective October 1, 1974. The increase to \$14,000, although effective January 1, 1975, would not be picked up until October 1, 1975.

It was also reported that the benefit increase totalled 7% for April 1, 1974 and would rise in June, 1974, to a further 4% from the March 31, 1974 base.

Mr. Clark gave a brief review of the changes in the various Canadian plans which are related to the Society plans.

The 2% ceiling on annual increases in pensions has been removed and increases are now to be made in line with the increases in the respective Consumer Price Indexes for Canada and the United States.

The earnings ceiling for the Canada Pension Plan was raised to \$6,600 for 1974 and will increase to \$7,400 for 1975. In future years, it is proposed that the ceiling will be raised 12.5% each year until it reaches the industrial composite wage level. It will be necessary to amend the policies for the Commissions located in Canada each October 1, beginning in 1974, to accommodate the Canada Pension Plan changes.

5. The Long Term Disability Policy was discussed. It was decided to leave the present maximum monthly benefit at \$1,250 but to review this each year in the light of changes in salary levels and government and industry practice. It was decided to amend the present policy in so far as it affects employees of Commissions located in the U.S.A. At present, any increase in Social Security disability benefits are offset by reductions in the benefits paid under the Policy. It was felt that this was unfair since Social Security increases were related to the cost of living and these really had no effect if the benefits under our policy were reduced by a like amount.
6. With respect to the need to increase pension benefits for retired personnel and spouses in receipt of spouses' benefit, it was decided to recommend adoption of annual increases in line with full changes in the measure of cost of living used by each government in their respective national plans. The policies would be increased by the percentage rise in the Consumer Price Index measured from one January to the next. This change in escalation benefits was moved by Mr. Myers and seconded by Mr. Young.
7. The question of reciprocal agreements with the pension plans of the respective federal governments was discussed once again. The Law in the United States prohibits any such agreement but Mr. Myers agreed to contact the Civil Service Commission with a view to determining if a change in legislation would be possible. In Canada, the Society could apply to the Treasury Board for such an agreement if any individual Commission wished to enter into a reciprocal agreement.
8. The Directors discussed at length the representations made by the Halibut Commission to increase the present benefits including the provision for early retirement

at age 55 after 30 years of service. The Halibut Commission have seven long-service employees who are over 50 years of age. It was decided that the insurance company would be asked for its reactions and estimated costs for a change in our policies such as advanced funding at least for new employees. For existing employees, it was the view of the Directors that if a Commission wished to allow employees to retire prior to age 65, it would probably be to their advantage to pay an employee directly an amount equal to the pension he would receive if he worked until age 65. At age 65, the employee would draw the pension provided for in the annuity policy.

The Secretary will prepare a reply to the letters received from the Halibut Commission suggesting the ad hoc arrangement and reporting on the views of the insurance company with respect to a new plan for new employees.

The Directors also discussed the question of the former employee of a Commission who wished to "buy back" the prior service with a Commission. It was generally felt that in order to avoid problems of this nature, employees should be encouraged to leave their pension contributions in the plan and eventually draw a smaller annuity. However, this approach may not always be practical especially in the case of younger employees who need cash as the result of relocation after leaving a Commission for other employment. No decision was reached on this subject although the Secretary was instructed to look into the costs to allow an employee of the Halibut Commission to buy back previous service with that Commission.

The extension of the Spouses benefit plan to single parents and the dependent children of spouses receiving benefits was discussed. It was decided that cost estimates to expand the plan to cover these cases would be obtained and the question be reviewed at the next meeting of the Directors.

9. The Secretary was instructed to prepare a letter to all Commissions giving an overview of the discussions of the Seattle 1974 meetings.
10. The Directors decided that their next meeting and the next General Meeting of the Society would be held in Vancouver, B.C., on April 24 and 25, 1975.
11. The meeting ended at 12.30 p.m. on the motion of Mr. Patton, and seconded by Mr. Heymann.

DRAFT LETTER TO ALL COMMISSIONS

Silver Spring, Maryland

May , 1974.

Dear

The annual meetings of the International Fisheries Commissions Pension Society were held on April 18 and 19, 1973, in Seattle, Washington, the location of the International Pacific Halibut Commission. In August, 1973, the first letter providing an overview of discussions and decisions of the Society at its annual meetings was sent to all Commissions. The purpose of this letter is to bring you up to date following this year's meetings.

As you know, the International Fisheries Commissions Pension Society was established in 1957, following an agreement between Canada and the United States, in order to study, recommend, and contract for pension and related insurance benefits for employees of the six International Fisheries Commissions with headquarters in the United States or Canada.

The membership of the Society consists of six representatives, three from Canada and three from the United States of America. The members from Canada are:

Mr. H.D. Clark	Director Pensions and Insurance Division Treasury Board Secretariat Ottawa.
Mr. E.B. Young	Associate Director International Fisheries and Marine Directorate Fisheries and Marine Service Department of the Environment Ottawa.
Mr. R.J. Kelly	Director, Departmental Financial Services Finance and Facilities Directorate Department of the Environment Ottawa.

The members appointed from the United States are:

Mr. H. Heymann	Program Co-Ordinator Office of the Co-Ordinator of Ocean Affairs Department of State Washington.
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Mr. J.P. Patton Director, Northwest
 Administrative Office
 National Oceanic and
 Atmospheric Administration
 Department of Commerce
 Seattle.

Mr. R.J. Myers Actuarial Consultant to the
 Department of State
 Washington.

From the members of the Society, the following officers were elected for the 1973-74 policy year:

President:	R.J. Myers
Vice-President:	H.D. Clark
Treasurer:	J.M. Patton
Secretary:	R.J. Kelly.

As indicated above, the annual meetings were held in Seattle where the Society had an opportunity to visit and meet with the executive officers and then the staff of the Halibut Commission. This opportunity allowed the members to discuss at first hand, problems and proposals for desired improvements to the various pension and insurance plans obtained through the Society. This type of meeting and the annual visits to each Commission by the Secretary of the Society, keeps the Society members informed as to the problems and wishes of the Commissions in so far as pensions and insurance plans are concerned. Hopefully at the same time the information provided to each Commission by this annual review after the Society's meetings keeps the Commissions up to date on the thinking of your Society. In addition, Commissions are invited to communicate with the Secretary at any time during the year with respect to specific problems. I think both the Commissions and the Society will benefit from these different types of communications.

The following are highlights of the decisions made at our Seattle meetings:

1. Since the U.S. Social Security maximum taxable wage base has been increased to \$13,200 per annum, the pension policies for Commissions located in the United States will be amended once again to reflect this change.
2. The Canada Pension Plan annual earnings ceiling will be raised to \$6,600 in October, 1974. The pension plan policies for Commissions located in Canada will also be amended to take into consideration this new provision.

It was brought to the attention of the Society by officials of the Halibut Commission that the Long Term Disability Insurance Plan offered by The Sun Life Assurance Company contained a provision which had the following effect: cost of living increases in U.S. Social Security require that disability payments made under our policies be reduced by a like amount. Since this was not the intention of the Society, the insurance company has been instructed to delete this restriction for the United States' employees. There is no similar restriction in the Canadian schedules of the policy.

4. For a number of years, the Society has recommended annual increases in the pensions of retired personnel. This increase was agreed to by all Commissions to be at least 2% per annum. Some Commissions have requested increases of 4% effective January 1, 1974, which is still within the guidelines established by the Society. Because of the inflationary rise in living costs in both Canada and the United States, the Society established new and more realistic guidelines for increasing the pensions of retired employees which have been recognized in different ways by the grants of the two countries. The annual escalations, which would become effective on January 1st each year, (including 1974), will be based on the annual rise in the respective Consumer Price Index in Canada and the United States.

You will be asked to approve the increases and costs each year in accordance with our established procedures. This escalation policy should also apply to any recipients of the spouses' benefit.

5. The Society discussed, once again, the question of establishing reciprocal pension transfer agreements between the Commissions and the respective pension plans for the employees of the federal governments. For Commissions located in Canada, it was agreed the Society would request such a reciprocal agreement on behalf of an individual Commission if a Commission so requested after considering the costs, as Canadian legislation allows for this type of agreement. The applicable legislation in the United States does not permit agreements of this nature, although the Society will discuss the problem with officials of the U.S.

Civil Service Commission with a view to determining the possibilities of obtaining a change in the existing law. The Commissions in the United States will be kept advised of any developments in this area.

6. A number of Commissions have inquired about possible changes to the pension plans to allow retirement with full pension after a certain number of years but prior to age 65. While the members of the Society were not opposed to the idea, it was recognized that the costs involved in order to change the existing plans would be prohibitive. However, the subject will be discussed with the insurance company to determine the actual feasibilities of such a scheme and to consider alternate methods of financing pension payments where early retirement is considered desirable.
7. The new spouses' benefit provision was discussed and the Society, in response to inquiries from some Commissions, will now examine an extension of this benefit to cover the minor children of single parent employees and minor children of individuals who may receive the Spouses' benefit in the future.
8. The procedures instituted last year to obtain statistical data and to obtain written approval to request the insurance company to provide cost estimates for improvements in the plans are working well generally. These procedures will be continued with slight modifications to remove a number of ambiguities in the forms.
9. The 1975 annual meetings will be held on April 24 and 25, 1975, in Vancouver, B.C., which will enable the Society to meet with both the Pacific Salmon Commission and the North Pacific Fisheries Commission.

Any comments you might wish to make concerning the contents of this letter are most welcome and should be sent to the Secretary who will relay them to me and the other members of the Society. As suggested last year, you may wish to reproduce this letter and circulate it to your Commissioners as part of the background documentation for their meetings. It is hoped that this procedure will help you obtain additional resources to improve the pension plans for your employees.

Yours sincerely,

R.J. Myers
President.