

International Commission for



the Northwest Atlantic Fisheries

Serial No. 3999
(A.a.3)

ICNAF Comm.Doc. 76/VI/60

ANNUAL MEETING - JUNE 1976

Annual Meeting
of the
International Fisheries Commissions Pension Society
13-14 May 1976

The annual meetings of the International Fisheries Commissions Pension Society were held on May 13 and 14, 1976, in Ann Arbor, Michigan, the site of the Great Lakes Fishery Commission. In accordance with Society practice, this letter is intended to inform you of some of the discussions at this year's meetings.

In the President's letter of July 3, 1975, the Society's history and mandate from the Canadian and U.S. governments were described. This year, in response to interest expressed by some commissions, a copy of the original Letters Patent establishing the Society is enclosed with this letter; this sets forth the duties and responsibilities of the Society.

The Society has six members, three from Canada and three from the United States.

The members from Canada are:

Mr. E.B. Young Associate Director
International Directorate, Fisheries
and Marine Service
Department of Environment
Ottawa, Ontario

Mr. H.D. Clark Director
Pensions and Insurance Division
Treasury Board Secretariat
Ottawa, Ontario

Mr. R.J. Kelly Director
Departmental Financial Services
Finance and Facilities Directorate
Department of Environment
Ottawa, Ontario

The members from the United States are:

Mr. A.E. Pardee, Jr. Executive Director
Bureau of Oceans and International
Environmental and Scientific Affairs
Department of State
Washington, D.C.

Ms. M.R. Wells Chief
NMFS EDS NESS Section
Personnel Division
National Oceanic and Atmospheric
Administration
Washington, D.C.

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

The Officers elected from the members of the Society for the 1976-77 operating year are:

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

In Ann Arbor, the Society met with the Executive Secretary and staff of the Great Lakes Fishery Commission to discuss the operations of the pension and other benefit plans, proposed improvements, and specific concerns of the Commission. All participants agreed that this opportunity for personal discussion was very beneficial. Also, during the past year, the Secretary of the Society has been able to visit all the commissions to discuss the plans.

Highlights of the discussions at our meetings in Ann Arbor are:

1. The method of calculating rates of contribution has been changed so that there will be automatic annual adjustments in the earnings base for the Canada Pension Plan or U.S. Social Security. Policies in Canada have also been amended to permit additional voluntary contributions, which are not feasible for U.S.-based commissions because of the participating policies.
2. The Society decided that any increase in the maximum monthly benefit under the long-term disability plan should be deferred until it has more general application. The Secretary has written to each Commission about this decision and about a proposal to add a cost-of-living factor to the plan.
3. The Orphan's Benefit proposed at last year's meetings has been accepted by all six commissions. This year, the Society decided upon more specific guidelines for implementation of the benefit. These guidelines will be outlined in a separate letter to you.
4. The Reciprocal Transfer Agreement has been signed with the Government of Canada. Four of the commissions have formally concurred with the agreement and a fifth is expected to do so.
5. The Society has decided to recommend adoption of an early-retirement benefit based on attainment of age 60 with 20 years of service. The Society believes that adoption of such a benefit would represent a reasonable first step in attaining full comparability with the early-retirement provisions of the Canadian Public Service and the U.S. Civil Service. It is hoped that, if the Commissions agree with this recommendation, implementation of the benefit could begin in October 1976. A letter has been sent to each commission giving specific details and asking for a definite response to the proposal.
6. The Society agreed to recommend adoption of an alternative method of determining the amount of annuity payable at retirement or to survivors. Adoption of this policy will mean that the annuity will be similar to the benefits payable under the two government plans, falling between those plans in terms of liberality. Technical details of this proposal will be explained in a separate letter.
7. Attached are tables from the Annual Report of the Directors which summarize the combined experiences of the commissions under the three plans. These summary tables show the historical experience of the plans as well as the operations of the policy year ended September 30, 1975.
8. Also enclosed with this letter is a comparison of pension benefits payable under the Pension Society plan, the U.S. Civil Service, and the Canadian Public Service. This comparison should be of interest to you, your commissioners, and the staff of the commissions.
9. The Society has decided to initiate a series of numbered letters concerning Society policy. A numbered letter will be distributed to all commissions whenever a new policy is implemented or an existing policy is clarified.

- 10 The 1977 annual meetings are scheduled to be held on April 14 and 15, 1977, in Halifax, Nova Scotia, enabling the Society to meet with the staff of the International Commission for the Northwest Atlantic Fisheries.

Your comments on any of the items discussed in this letter are most welcome. Please write to the Secretary, who will refer your comments to me and the other members of the Society. As in previous years, you may find it useful to send copies of this letter to your commissioners so as to improve their understanding of your requests for additional funds.

Yours sincerely,



R.J. Myers
President



Canada

By the Honourable ELLEN LOUKS FAIRCLOUGH,

Secretary of State of Canada.

To all to whom these presents shall come, or whom the same may in anywise concern,
GREETING:

WHEREAS, in and by Part II of Chapter 53 of the Revised Statutes of Canada, 1932, known as the Companies Act, it is, amongst other things, in effect enacted that the Secretary of State of Canada may by letters patent under his seal of office grant a charter to any number of persons not less than three (3) who, having complied with the requirements of the said Act, apply therefor, constituting such persons and others who thereafter become members of the corporation thereby created a body corporate and politic without share capital for the purpose of carrying on, in more than one (1) province of Canada, without pecuniary gain to its members, objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character, or the like, upon the applicants therefor establishing to the satisfaction of the Secretary of State of Canada due compliance with the several conditions and terms in and by the said Act set forth and thereby made conditions precedent to the granting of such charter;

AND WHEREAS HOWARD CHARLES LINLEY RANSOM, Executive, HART DUNCAN CLARK
and JOHN ORVILLE HODGKIN, Civil Servants, all of the City of Ottawa, in the Province of Ontario,
EDWARD CALHOUN CROUCH, of the City of Washington, in the District of Columbia, in the United
States of America, Foreign Service Officer, ROBERT JULIUS MYERS, of the City of Silver Spring,
in the State of Maryland, one of the said United States of America, Actuary, and ISLA VICTORIA
DAVIES, of the City of Arlington, in the State of Virginia, one of the said United States of America,
Foreign Affairs Specialist, -----

have made application for a charter under the said Act, constituting them and such others as may become members in the corporation thereby created a body corporate and politic under the name of

INTERNATIONAL FISHERIES COMMISSIONS PENSION SOCIETY

for the purposes hereinafter mentioned, and have satisfactorily established the sufficiency of all proceedings required by the said Act to be taken, and the truth and sufficiency of all facts required to be established previous to the granting of such letters patent, and have filed in the Department of the Secretary of State a duplicate of the memorandum of agreement executed by the said applicants in conformity with the provisions of the said Act;

NOW KNOW YE that I, ELLEN LOUKS FAIRCLOUGH, -----
Secretary of State of Canada, under the authority of the said Act, do, by these letters patent, constitute the said
HOWARD CHARLES LINLEY RANSOM, HART DUNCAN CLARK, JOHN ORVILLE HODGKIN, EDWARD
CALHOUN CROUCH, ROBERT JULIUS MYERS and ISLA VICTORIA DAVIES, -----

and all others who may become members of the Corporation a body corporate and politic without share capital under the name of

INTERNATIONAL FISHERIES COMMISSIONS PENSION SOCIETY

with all the rights and powers conferred by the said Act, and for the following purposes and objects, namely:--

to enter into, administer and otherwise deal in contracts with insurers or other persons for or on behalf of or for the benefit of employees, and former and future employees, and their dependents, of any commission whose seat or headquarters is in Canada or the United States of America, established and maintained jointly by the Governments of Canada and the United States of America, or by either or both of those Governments and the government of one (1) or more other states, to administer, enforce or carry out any international convention to which Canada or the United States of America is a party for the conservation or protection of, or for regulating, prohibiting or controlling the exploitation of any of the resources of the sea, which contracts provide for the payment of pensions, annuities, gratuities or similar amounts on account of retirement, disability, infirmity or death, to or for the benefit of such employees, dependents and beneficiaries.

The operations of the Corporation may be carried on throughout Canada and elsewhere.

The head office of the Corporation will be situate at the City of Ottawa, in the Province of Ontario.

The said HOWARD CHARLES LINLEY RANSOM, HART DUNCAN CLARK, JOHN ORVILLE HODGKIN, EDWARD CALHOUN CROUCH, ROBERT JULIUS MYERS and ISLA VICTORIA DAVIES are to be the first directors of the Corporation.

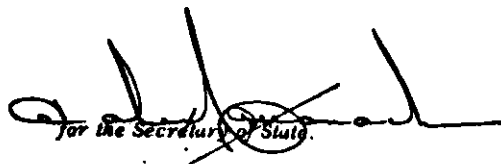
And it is hereby ordained and declared that, when authorized by by-law, duly passed by the directors and sanctioned by at least two-thirds (2/3) of the votes cast at a special general meeting of the members duly called for considering the by-law, the directors of the Corporation may from time to time

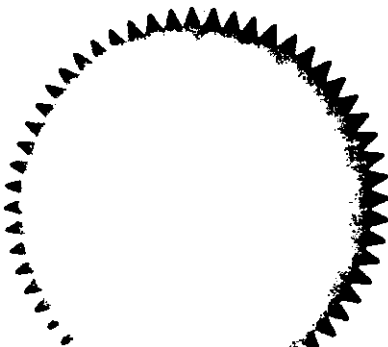
- (a) borrow money upon the credit of the Corporation;*
- (b) limit or increase the amount to be borrowed;*
- (c) issue debentures or other securities of the Corporation;*
- (d) pledge or sell such debentures or other securities for such sums and at such prices as may be deemed expedient; and*
- (e) mortgage, hypothecate, charge or pledge all or any of the real and personal property, undertaking and rights of the Corporation to secure any such debentures or other securities or any money borrowed or any other liability of the Corporation.*

Nothing in this clause limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

And it is further ordained and declared that the business of the Corporation shall be carried on without pecuniary gain to its members and that any profits or other accretions to the Corporation shall be used in promoting its objects.

GIVEN under my seal of office at Ottawa this twenty-ninth day of July, one thousand nine hundred and fifty-seven.


for the Secretary of State.



LETTERS PATENT
INCORPORATING
(WITHOUT SHARE CAPITAL)

**INTERNATIONAL FISHERIES COMMISSIONS PENSION
SOCIETY**

Dated *29th July,* **1957.**

Recorded *9th August,* **1957.**

Film 62

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for the Deputy Registrar General of Canada.

Ref. No. 152950

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TABLE 3
Summary Financial Operations of
Pension Plans of U.S.A. and Canadian
Commissions by Policy Year

Policy Year Ended Sept. 30	Payroll in Year		* Net Employer Contribution, Future Service		Employer Contribution OASDI or CPP		Net Employer Contribution, including OASDI or CPP		* Employer Past Service Contribution		Total Employer Contribution	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
	In monetary units of the country, rounded to the nearest dollar											
1958	\$124,384	\$236,081	\$11,815	\$ 7,484	\$ 278	\$ -	\$12,093	\$ 7,484	\$15,270	\$10,849	\$27,363	\$18,333
1959	144,953	285,777	13,328	9,127	393	-	13,721	9,127	28,535	22,171	42,256	31,298
1960	143,779	285,719	13,196	10,050	423	-	13,619	10,050	-	1,104	13,619	11,154
1961	160,227	295,076	10,910	10,205	3,498	-	14,408	10,205	-	2,239	14,408	12,444
1962	172,347	312,270	11,574	11,833	3,148	-	14,722	11,833	-	1,418	14,722	13,251
1963	181,755	332,721	7,913	7,683	3,681	-	11,594	7,683	13,591	8,350	25,185	16,033
1964	335,634	351,962	11,493	7,238	7,347	-	18,840	7,238	-	22,330	18,840	29,568
1965	457,968	373,515	19,602	6,762	9,293	-	28,895	6,762	143	-	29,038	6,762
1966	511,317	391,279	22,236	5,609	14,000	2,877	36,236	8,486	10,506	-	46,742	8,486
1967	508,775	431,263	24,294	6,525	15,784	3,499	40,078	10,024	11,248	-	51,326	10,024
1968	489,503	436,995	12,362	7,089	14,475	3,329	26,837	10,418	6,618	-	33,455	10,418
1969	516,742	458,622	180	5,968	16,207	3,265	16,387	9,233	64,611	-	80,998	9,340
1970	585,676	533,682	12,768	6,583	20,439	2,328	33,207	8,911	8,868	-	42,075	8,911
1971	651,020	556,183	12,955	(1,816)	18,971	3,051	31,926	1,235	-	-	31,926	1,235
1972	703,448	620,660	12,648	4,458	21,812	5,136	34,460	9,594	-	-	34,460	9,594
1973	705,319	692,415	11,984	5,216	27,066	5,551	39,050	10,767	49,485	12,971	88,535	23,838
1974	747,170	747,117	5,877	6,506	31,672	5,983	37,549	12,489	32,453	42,300	70,002	54,789
1975	781,240	885,521	(1,895)	4,269	33,457	7,769	31,562	12,038	55,940	40,927	87,502	52,965

* Gross employer contribution to insurance company, less dividends and premium adjustments, interest on credit balance, and net employer withdrawal allowances (see TABLE 4 for details).

** Includes cost-of-living increase for annuitants

...7 (Continued)

TABLE 3 (Continued)

Summary Financial Operations of
Pension Plans of U.S.A. and Canadian
Commissions by Policy Year

Policy Year Ended Sept. 30	Payroll in Year		Net Employer Contribution, Future Service		Employer Contribution OASDI or CPP		Net Employer Contribution Future Service, Including OASDI or CPP		Employer Past Service Contribution		Total Employer Contribution	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
1958	-	-	9.50%	3.17%	.22%	-	9.72%	3.17%	12.28%	4.60%	22.00%	7.77%
1959	-	-	9.19	3.19	.28	-	9.47	3.19	19.69	7.76	29.15	10.95
1960	-	-	9.18	3.52	.30	-	9.48	3.52	-	.39	9.47	3.90
1961	-	-	6.81	3.46	2.18	-	8.99	3.46	-	.76	8.99	4.22
1962	-	-	6.72	3.79	1.82	-	8.54	3.79	-	.45	8.64	4.24
1963	-	-	4.35	2.31	2.03	-	6.38	2.31	7.48	2.51	13.86	4.82
1964	-	-	3.42	2.06	2.19	-	5.61	2.06	-	6.34	5.61	8.40
1965	-	-	4.28	1.81	2.03	-	6.31	1.81	.03	-	6.34	1.81
1966	-	-	4.35	1.43	2.74	.74%	7.09	2.17	2.05	-	9.14	2.17
1967	-	-	4.77	1.51	3.10	.81	7.88	2.32	2.21	-	10.09	2.32
1968	-	-	2.52	1.62	2.95	.76	5.48	2.38	1.35	-	6.83	2.38
1969	-	-	.03	1.30	3.14	.71	3.17	2.01	12.50	.02	15.07	2.03
1970	-	-	2.18	1.23	3.49	.44	5.67	1.67	1.51	-	7.18	1.67
1971	-	-	1.98	(.32)	2.91	.54	4.90	.22	-	-	4.90	.22
1972	-	-	1.80	.72	3.10	.83	4.90	1.55	-	-	4.90	1.55
1973	-	-	1.70	.75	3.84	.80	5.54	1.56	7.02	1.87	12.55	3.44
1974	-	-	.79	.87	4.24	.80	5.03	1.97	4.34	5.66	9.37	7.33
1975	-	-	(.24)	.48	4.28	.87	4.03	1.35	7.16	4.62	11.20	5.98

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TABLE 4

Detailed Financial Operations of Pension Plans of
U.S.A. and Canadian Commissions in Respect of
Gross and Net Payments to Insurance Company for
Employer Future Service Contributions, by Policy Year

Policy Year Ended Sept. 30	Gross Contributions		Dividends & Expense Adjustments		Interest on Credit Balance		Net Withdrawal Allowance Credited to Future Service		Net Withdrawal Allowance Used to Purchase Past Service		Net Contributions	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
	In monetary units of the country, rounded to the nearest dollar											
1959	\$ 13,328	\$ 9,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,328	\$ 9,127
1960	14,068	10,241	-	-	-	-	872	191	-	338	13,196	10,050
1961	12,174	10,312	-	-	-	-	44	107	-	33	10,910	10,205
1962	13,252	12,245	-	-	-	-	-	412	-	-	11,574	11,833
1963	11,617	8,849	-	-	-	-	1,610	1,165	-	2,869	7,912	7,684
1964	16,402	8,559	-	-	20	-	2,798	1,321	-	271	11,493	7,238
1965	23,433	7,129	-	-	-	-	16	367	-	-	19,602	6,762
1966	26,667	7,510	-	-	-	-	290	1,901	-	-	22,236	5,609
1967	29,911	7,539	-	-	-	-	775	1,014	-	-	24,294	6,525
1968	27,825	7,718	-	-	-	-	8,747	629	-	-	12,362	7,089
1969	23,940	7,069	-	-	-	-	15,535	1,101	-	-	180	5,968
1970	25,698	7,687	-	-	-	-	319	1,104	-	-	12,768	6,583
1971	26,806	5,584	-	-	-	-	825	6,699	-	-	12,995	(1,816)
1972	31,062	4,727	-	-	701	-	669	222	-	-	12,648	4,458
1973	85,321	19,087	-	-	-	-	683	162	-	-	61,469	18,187
1974	69,092	50,042	-	-	29	-	1,635	276	-	-	38,330	48,806
1975	94,731	49,025	-	-	133	118	4,652	2,619	-	-	54,045	45,196

TABLE 5
Summary Financial Operations
of Pension Plans of all Fisheries
Commissions Combined by Policy Year

Policy Year Ended Sept. 30	Conversion Rate	Payroll in Year	Employer Contributions to Future Service, OASDI and CPP		Employer Contributions to Future and Past Service, OASDI and CPP	
			Amount	As % of Payroll	Amount	As % of Payroll
I - IN UNITED STATES DOLLARS						
1958	1.0327	\$368,184	\$19,822	5.38%	\$46,295	12.57%
1959	1.0354	440,844	23,171	5.26	74,662	16.94
1960	1.0417	441,416	24,089	5.46	25,238	5.72
1961	1.0018	455,829	24,630	5.40	26,874	5.90
1962	.94518	467,499	25,906	5.54	27,247	5.83
1963	.92599	489,831	18,708	3.82	40,030	8.17
1964	.92593	661,526	25,543	3.86	46,219	6.99
1965	.92593	803,817	35,157	4.37	35,300	4.39
1966	.92879	874,733	44,118	5.04	54,624	6.24
1967	.92664	908,400	49,367	5.43	60,615	6.67
1968	.92807	895,064	36,506	4.08	43,124	4.81
1969	.92807	943,049	24,967	2.65	89,262	9.47
1970	.95000	1,092,674	22,651	2.07	50,540	4.62
1971	.99000	1,201,641	21,991	1.83	33,037	2.75
1972	1.00	1,324,108	44,054	3.33	44,054	3.33
1973	1.00	1,397,734	74,569	5.34	137,025	9.80
1974	1.0186	1,480,390	49,340	3.33	123,489	8.34
1975	1.0093	1,674,996	43,712	2.60	140,950	8.41

TABLE 5 (Continued)
 Summary Financial Operations
 of Pension Plans of all Fisheries
 Commissions Combined by Policy Year

Policy Year Ended Sept. 30	Conversion Rate	Payroll in Year	Employer Contributions to Future Service, OASDI & CPP		Employer Contributions to Future and Past Service, OASDI & CPP	
			Amount	As % of Payroll	Amount	As % of Payroll
II - IN CANADIAN DOLLARS						
1958	\$.96833	\$ 356,526	\$19,194	5.38%	\$44,829	12.57%
1959	.96580	425,772	22,379	5.26	72,109	16.94
1960	.96000	423,746	23,125	5.46	24,228	5.72
1961	.99817	455,010	24,586	5.40	26,826	5.90
1962	1.0580	494,614	27,409	5.54	28,827	5.83
1963	1.0800	529,016	20,204	3.82	43,232	8.17
1964	1.0800	714,447	27,586	3.86	49,916	6.99
1965	1.0800	868,121	37,970	4.37	38,124	4.39
1966	1.07667	941,799	47,500	5.04	58,812	6.24
1967	1.07917	980,318	53,275	5.43	65,414	6.67
1968	1.0775	964,434	39,335	4.08	46,466	4.81
1969	1.0758	1,014,333	26,862	2.65	96,029	9.47
1970	1.0500	1,148,641	23,789	2.07	53,090	4.62
1971	1.0100	1,211,665	23,919	1.97	33,480	2.76
1972	1.0000	1,324,108	44,054	3.33	44,054	3.33
1973	1.0000	1,397,734	74,569	5.34	137,025	9.80
1974	.9814	1,508,447	50,275	3.33	125,879	8.34
1975	.9907	1,659,562	43,509	2.60	159,661	8.41

TABLE 6

Summary of Contributions to Sun Life and to National Pension Plan by Employees of U.S.A. and Canadian Commissions by Policy Year

Policy Year Ended Sept. 30	Payroll in Year		Gross Employee Contribution To Pension		Employer Contribution to OASDI or CPP		Total Gross Employee Contribution	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
	In monetary units of the country, rounded to the nearest dollar							
1958	\$124,384	\$236,081	\$ 6,859	\$13,898	\$ 278	\$ -	\$ 7,137	\$13,898
1959	144,953	285,777	8,385	17,098	393	-	8,778	17,098
1960	143,779	285,719	8,134	16,796	423	-	8,557	16,796
1961	160,227	295,076	6,553	17,015	3,498	-	10,051	17,015
1962	172,347	312,270	6,991	18,443	3,148	-	10,139	18,443
1963	181,755	332,721	7,187	19,476	3,681	-	10,868	19,476
1964	335,634	351,962	13,039	20,155	7,347	-	20,386	20,155
1965	457,968	373,515	18,803	21,478	9,293	-	28,096	21,478
1966	511,317	391,279	21,193	19,177	14,000	2,877	35,193	22,054
1967	508,775	431,263	20,877	19,177	15,784	3,499	36,661	24,449
1968	489,503	436,995	19,465	20,922	14,475	3,329	33,940	24,251
1969	516,742	458,622	18,018	22,851	16,207	3,265	34,225	26,116
1970	585,676	533,682	20,897	26,458	20,439	2,328	41,336	28,786
1971	651,020	556,183	22,025	26,694	18,971	3,051	40,996	29,745
1972	703,448	620,660	25,574	30,327	21,812	5,082	47,386	35,409
1973	705,319	692,415	29,678	33,925	27,066	5,551	56,744	39,476
1974	747,170	747,117	29,760	36,488	31,672	5,983	61,432	42,471
1975	781,240	885,521	30,343	42,423	33,457	7,769	63,800	50,192

TABLE 6 (continued)

Summary Contributions to
Sun Life and to National Pension Plan
by Employees of U.S.A. and Canadian Commissions
by Policy Year

Policy Year Ended Sept. 30	Payroll in Year		Gross Employee Contribution to Pension		Employee Contribution to OASDI or CPP		Total Gross Employee Contribution		
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	
			<u>As Percentage of Payroll</u>						
1958	-	-	5.51%	5.89%	.22%	-	5.74%	5.89%	
1959	-	-	5.78	5.98	.28	-	6.06	5.98	
1960	-	-	5.66	5.88	.30	-	5.95	5.88	
1961	-	-	4.09	5.77	2.18	-	6.27	5.77	
1962	-	-	4.06	5.91	1.82	-	5.88	5.91	
1963	-	-	3.95	5.85	2.03	-	5.98	5.85	
1964	-	-	3.88	5.73	2.19	-	6.07	5.73	
1965	-	-	4.11	5.75	2.03	-	6.14	5.75	
1966	-	-	4.14	4.90	2.74	.74%	6.88	5.64	
1967	-	-	4.10	4.86	3.10	.81	7.21	5.67	
1968	-	-	3.97	4.78	2.95	.76	6.93	5.55	
1969	-	-	3.49	4.98	3.14	.71	6.62	5.69	
1970	-	-	3.57	4.96	3.49	.44	7.06	5.39	
1971	-	-	3.38	4.80	2.91	.55	6.30	5.35	
1972	-	-	3.64	4.88	3.10	.82	6.74	5.71	
1973	-	-	4.21	4.90	3.84	.80	8.05	5.70	
1974	-	-	3.97	4.88	4.24	.80	8.22	5.68	
1975	-	-	3.88	4.79	4.28	.87	8.16	5.66	

TABLE 8
SUMMARY OF OPERATIONS OF THE
GROUP LIFE INSURANCE PLAN

Policy Year Ending Sept. 30	Employees Participating		Participating Payroll		Insurance in force		Net Premiums for Policy Year		Net Employer Premiums for Policy Year		Net Employer Premiums as a % of Payroll		Paid-up Policies Purchased		Value of Insurance Paid	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
1967	44	41	508,775	431,263	457,700	371,750	1,566	1,329	490	416	.10%	.10%	-	-	-	-
1968	43	46	489,503	436,995	473,950	415,650	2,736	2,723	857	853	.18%	.20%	-	-	-	-
1969	42	46	516,742	458,622	454,150	451,550	3,248	3,031	1,017	949	.20%	.21%	-	-	-	-
1970	47	47	585,676	533,682	539,450	503,150	3,441	3,272	1,025	943	.18%	.18%	-	1	-	-
1971	46	48	651,020	556,183	573,800	516,000	3,706	3,359	1,021	925	.16%	.17%	2	1	21,500	-
1972	49	50	703,448	620,660	683,800	561,900	4,506	3,943	1,371	1,200	.19%	.19%	3	-	-	-
1973	48	54	673,444	601,300	729,900	654,650	4,394	4,494	1,321	1,348	.2%	.22%	1	2	-	-
1974	46	50	711,329	656,445	762,100	678,100	5,705	4,782	2,307	1,518	.32%	.23%	1	1	28,000	-
1975	48	63	735,052	804,212	801,300	901,500	5,005	5,149	1,208	2,203	.16%	.27%	-	2	-	-

TABLE 10
SUMMARY OF OPERATIONS OF THE
LONG TERM DISABILITY INSURANCE
PLAN

Policy Year Ending Sept. 30	Employees Participating		Participating Payroll		Net Premiums for Policy Year		Net Employer Premiums for Policy Year		Net Employer Premiums as a % of Payroll	
	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA	USA	CANADA
*1970	21	55	108,953	222,368	860	1,507	N/A	N/A	.79%	.68%
1971	20	55	313,413	556,183	1,955	3,699	N/A	N/A	.62%	.67%
1972	24	55	243,155	527,488	973	2,110	N/A	N/A	.59%	.34%
1973	22	54	278,874	623,797	2,076	4,532	1,026	2,159	.37%	.35%
1974	20	51	307,451	705,605	2,610	5,936	1,462	3,024	.48%	.43%
1975	20	62	305,829	821,103	2,822	7,461	1,698	4,127	.55%	.50%

*Partial Year only

COMPARISON OF PENSION BENEFITS

The purpose of this paper is to compare the pension benefits payable to employees of the International Fisheries Commissions as against the benefits payable under similar conditions under the Canadian Public Service and the U.S. Civil Service. The following comparisons were made:

1. Total benefits payable from all sources to an employee with no dependents.
2. Total benefits payable from all sources to an employee with a dependent spouse.
3. Total employee contributions to all sources.

It was impossible to do a meaningful comparison of employer costs, due to lack of essential data for the Canadian Public Service and the U.S. Civil Service. Cost-benefit comparison were not done because, in most cases, differences in total employee contributions among the plans were insignificant.

The service records of three sample employees of one of the U.S. - based commissions were used as the basis for the comparison. Example 1 is a male employee who would have 38 years of service in September 1988, Example 2 is also male, with 15.25 years of service in October 1986, at age 65. Example 3, a female employee, would have 21.67 years of service in September 1986, at age 65. Because of lack of data, or for the sake of simplicity, the following assumptions were made in preparation of the figures:

1. The salaries of all three employees were in the middle of the appropriate Earnings Class levels for years prior to 1975.
2. The salary of Example 1 was projected back from 1968, with increases of one level every two years, until 1957, prior to which it remained constant.
3. All data were frozen at the October 1, 1975, level, including salaries, rates of contributions, and benefits. The only variations after that date were upgrading in the Pension Society plans and increasing age and years of service. The data were frozen because it would be too difficult to project salary increases, rate increases, and changes in the various plans.
4. All spouses are fully dependent on the employee and are the same age as the employee.
5. All children are under age 18 and unmarried.
6. Employees did not contribute to Social Security in the U.S. or to the Canada Pension Plan in Canada prior to the date they commenced contributing to those plans as employees of the Commission.
7. A reduction of $6 \frac{2}{3}\%$ a year was used to determine the actuarial equivalent pensions for retirement prior to age 65.

The figures shown include benefits from and contributions to all plans under which the employees are covered. Sources for the Pension Society in the U.S. are the group annuity plan and U.S. Social Security. For the Pension Society in Canada, sources are the group annuity plan, the Canada Pension Plan, and the Old Age Security program. The Canadian Public Service figures include Public Service Superannuation, the Canada Pension plan, and the Old Age Security program. Employees of the U.S. Civil Service contribute to and receive benefits from the Civil Service Retirement plan alone. Because of the method used in compiling the data, there are limitations on the conclusions which can be drawn from the results. Some of these limitations are.

1. Benefits under the Civil Service plan are based on the average salary of the best three consecutive years. Public Service benefits are based on the average of the best six years, and benefits under the Pension Society are based essentially on the salary in the third or fourth year before retirement. Because salaries were assumed not to increase after 1975, the advantage under the Civil Service plan is not illustrated; such advantage would have the approximate effect of increasing the benefits shown by 10 percent (such possible differential is taken into account in the analysis that follows).
2. Cost-of-living increases under the Civil Service plan are based on the rise in the Consumer Price Index, plus 1%. Increases in Public Service and Pension Society benefits are based on the CPI. The advantage of the additional 1% under Civil Service is not illustrated because cost-of-living increases are not shown in the comparison: it appears likely that this 1% factor will be eliminated for the future.
3. Contributions to approved pension plans in Canada are tax-deductible. Therefore, the real cost to public servants and Commission employees in Canada is lower than the amount shown. On the other hand, benefits payable in U.S. are non-taxable until an amount equal to the total employee contributions has been paid out, and Social Security benefits are not subject to income tax. It may be assumed that the advantages of the different tax structures will balance out in the long run.
4. Long-term disability benefits under the Civil Service plan are considerably lower than those payable under the other plans. However, if the disability is work-related, U.S. civil servants are eligible for additional benefits, which are not included in the comparison.
5. Long-term disability benefits payable under Civil Service terminate with rehabilitation or death. Benefits under the other plans terminate with rehabilitation or age 65; at age 65, regular annuity benefits, which may be considerably lower, become payable instead.
6. Commission employees receive long-term disability benefits from two sources, the Pension Society long-term disability plan and Social Security in the U.S. or Canada Pension Plan in Canada. Benefits payable under the Pension Society LTD plan are offset by the amount payable under the applicable social security program. While a Commission employee is receiving disability benefits, group annuity premiums continue to be

paid in full by the employing Commission. This policy alleviates the fact that LTD benefits to Commission employees terminate at age 65, and they begin receiving the group annuity, which is based on contributions actually paid.

The total benefit payable to disabled Canadian public servants is made up of benefits payable under the Public Service Superannuation Account and long-term disability plan and the Canada Pension Plan.

Keeping in mind these limitations, certain observations can be made about the results of the comparison.

1. At the normal retirement date (age 65), highest benefits are payable under the Pension Society plans. However, for an employee with no spouse, differences between the Public Service and the Pension Society are small. Although benefits are lowest under the Civil Service plan, these benefits would probably increase more rapidly after retirement because of the more generous cost-of-living increases.
2. For retirement before age 65, the disadvantages of the lack of an early-retirement benefit under the Pension Society plans become apparent, although generally for retirement at age 60 or over, the benefits are at least as large as the Civil Service benefits.
3. Long-term disability benefits under the Public Service and Pension Society plans are comparable, and all are significantly higher than the Civil Service benefits.
4. With the exception of benefits to a surviving spouse, benefits to spouses and orphans are most generous under the Pension Society plan in the U.S. in most cases, sometimes by significant amounts. Even though benefits are payable for four children under the Public Service plan, the additional amounts still do not make the benefit as large as the maximum under the Pension Society plan in the U.S. (which pays only for three children). In general, smallest benefits are payable under the Pension Society in Canada, but in most cases they are not significantly lower than the benefits under the Public Service plan.
5. Total contributions made by employees of U.S. -based commissions are considerably higher than those made by employees of Canadian - based commissions. The gap is accounted for by the higher rate of contribution and the higher earnings base for U.S. Social Security in comparison with the Canada Pension Plan.

This gap will narrow as the earnings base increases more rapidly for CPP than for Social Security in the future.

Example 1.

The employee used in Example 1 provides the most appropriate basis for comparison because, having 38 years of service at age 65, he would have been covered by the plans for all or almost all of his career.

1. Even taking into account the lack of an early retirement benefit, this employee receives a slightly larger pension at age 62 with a dependent spouse under the Pension Society plans than under the Civil Service Plan.
2. For retirement at age 60, even with 33 years service, the Pension Society benefit at age 60 is only about half that of the other two plans. This ratio is increased somewhat by the commencement of Social Security or CPP benefits, but the actuarial-equivalent pension is still lowest under the Pension Society plans (about 2/3 of the Public Service benefits).
3. The effect of introduction of an early-retirement benefit can be seen in the facts that this employee would receive a somewhat better pension from the Pension Society than the Civil Service and that the gap between the Pension Society and the Public Service narrows to \$1000-2000.

Example 2.

With 15.25 years of service, this employee may be representative of the greater mobility among employees. Although the benefits are relatively low in terms of final average salary, having had two careers, presumably this employee would be eligible for benefits from sources not included in this comparison.

1. The pension for retirement at age 65 from the Civil Service is significantly lower than from the other plans (only about half as large for the case including a dependent spouse). The difference is attributable, in part, to the lower percentages used in calculating benefits for the first 10 years of service.
2. The effect of the lower percentages under Civil Service is also evident for retirement at age 62. Even without an early-retirement benefit, the Pension Society benefit in the U.S. is highest at age 62, although from age 65 on the Public Service benefit is largest. The benefit is lowest under the Pension Society in Canada at age 62, but the actuarial equivalent is about the same as that for the Pension Society in the U.S.
3. For retirement at age 60, this employee is not eligible for an immediate annuity from Civil Service, although he may receive a deferred annuity commencing at age 62. This annuity is about 2/3 of the Pension Society total and 1/2 of the Public Service benefit.
4. This employee's annuity at age 60 would not be affected by adoption of the proposed early-retirement benefit by the Pension Society because he would not have twenty years of service.
5. The disadvantage of the Civil Service Long-Term Disability benefit is particularly evident in this case, where the benefit is about 25% of those under the other plans

Example 3.

The benefits for this employee are similar to those for Example 2, both in amounts and in relationships among the plans. Her longer service is offset by her lower final earnings. Differences in benefits because of sex have been removed from the Civil Service and Public Service plans, and the same thing has occurred for U.S. Social Security, with only minor exceptions (which will likely soon be removed).

In general, benefits and contributions are comparable among all three plans. While one plan may have disadvantages in one area, these may be offset by advantages in another area. The most notable differences are in the Civil Service long-term disability benefits and the Pension Society benefits in the U.S. to a surviving spouse with no dependents. Although the results would vary somewhat with variations in the method of analysis and in the assumptions made, it is unlikely that the basic comparability would change significantly. It can be concluded that commission employees need not be concerned that their benefits are inadequate in comparison with those payable to their counterparts in the Canadian and U.S. governments with regard to retirements at age 60 and over (assuming that the "early-retirement at age 60" amendment to the Pension Society plan is adopted).

COMPARISON OF BENEFITS

	Canadian Public Service	Example 1 Pension Society		U.S. Civil Service	Canadian Public Service	Example 2 Pension Society		U.S. Civil Service	Canadian Public Service	Example 3 Pension Society		U.S. Civil Service
		In Canada	In U.S.			In Canada	In U.S.			In Canada	In U.S.	
A. RETIREMENT AT AGE 65												
1. Total Pension Payable												
i) Employee	14,608	14,907	14,782	12,687	7,610	7,800	7,830	4,491	7,732	8,024	7,796	4,808
ii) Employee & Spouse	16,202	16,501	17,513	12,687	9,205	9,395	10,169	4,491	9,327	9,619	10,167	4,808
2. Total Contributions *	28,156	24,409	32,234	31,298	16,644	14,142	20,048	16,711	13,348	12,299	18,003	14,534
B. RETIREMENT AT AGE 62												
1. Pension from Age 62												
i) Employee	12,264	7,750	10,747	11,632	4,113	2,695	5,093	3,484	4,535	2,921	5,255	4,079
ii) Employee & Spouse	12,264	7,750	12,660	11,632	4,113	2,695	6,557	3,484	4,535	2,921	6,719	4,079
2. Additional Pension from Age 65 on												
i) Employee	2,518	3,670	-	-	2,312	3,024	-	-	2,644	3,670	-	-
ii) Employee & Spouse	4,113	5,265	-	-	3,907	4,619	-	-	4,238	5,265	-	-
3. Total Pension from Age 65 on												
i) Employee	14,782	11,420	10,747	11,632	6,425	5,719	5,093	3,484	7,179	6,591	5,255	4,079
ii) Employee & Spouse	16,377	13,015	12,660	11,632	8,020	7,314	6,557	3,484	8,773	8,186	6,719	4,079
4. Actuarial Equivalent Pension if Level from Age 62 on												
i) Employee	14,278	10,686	10,747	11,632	5,963	5,114	5,093	3,484	6,650	5,857	5,255	4,079
ii) Employee & Spouse	15,554	11,962	12,660	11,632	7,239	6,390	6,557	3,484	7,925	7,133	6,719	4,079
5. Total Contributions *	27,751	21,296	27,874	27,619	13,119	11,159	15,886	13,185	10,798	10,152	14,778	11,983

* Employee

	Example 1		Example 2		Example 3	
	Canadian Public Service	Pension Society In Canada U.S.	U.S. Civil Service	Canadian Public Service	Pension Society In Canada U.S.	U.S. Civil Service
D. PENSION AT AGE 60 IF PENSION SOCIETY ADOPTS 60-20 EARLY RETIREMENT BENEFIT						
1. Pension Payable at Age 60						
i) Employee	11,884	9,732	8,274	10,935	1,416	-
ii) Employee & Spouse	11,884	9,732	8,274	10,935	1,416	-
2. Additional Pension from Age 62 on						
i) Employee	-	-	3,859	-	2,767	2,812
ii) Employee & Spouse	-	-	5,669	-	4,064	2,812
3. Additional Pension from Age 65 on						
i) Employee	2,399	3,435	-	-	-	-
ii) Employee & Spouse	3,994	5,030	-	-	2,467	4,062
4. Total Pension from Age 65 on						
i) Employee	14,283	13,167	12,133	10,935	3,435	-
ii) Employee & Spouse	15,878	14,762	13,943	10,935	5,030	-
5. Actuarial Equivalent Pension if Level from Age 60 on						
i) Employee	13,484	12,023	11,620	10,935	4,523	4,113
ii) Employee & Spouse	14,548	13,087	13,189	10,935	5,587	5,254
6. Total Contribution *	25,389	19,220	24,967	25,166	8,721	12,628
E. DISABILITY BENEFITS PAYABLE AT 1/10/76						
1. Disability Benefit	12,264	13,140	11,012	7,913	9,108	7,787
2. Contributions to LTD *	322	385	385	Included in Pension Plan	247	247
* Employee						Included in Pension Plan

		Example 1		Example 2		Example 3		4.
		Canadian Public Service	Pension Society In Canada U.S.	U.S. Civil Service	Canadian Public Service	Pension Society In Canada U.S.	U.S. Civil Service	U.S. Civil Service
1. Total Contributions *		16,702	11,868 14,673	16,479	4,893	4,200 6,023	4,918	5,203 7,343 6,104
2. Surviving Spouse, no Children		4,973	4,315 2,608	4,352	1,735	1,761 446	2,252	2,108 718 1,765
1 Child		6,321	5,531 9,394	5,818	2,435	2,466 4,467	3,055	2,882 5,620 3,231
2 Children		7,590	6,668 11,188	7,284	3,056	3,093 4,760	3,779	3,578 6,628 4,697
3 Children		8,858	7,805 11,710	8,750	3,677	3,719 4,849	4,504	4,273 6,772 6,163
4 Children		10,128	8,302 11,710	8,750	4,298	4,216 4,849	5,229	4,770 6,772 6,163
3 No Surviving Spouse								
1 Child		2,040	1,777 4,175	1,759	745	755 2,144	952	894 2,667 1,759
2 Children		4,081	3,554 8,350	3,518	1,490	1,511 4,288	1,903	1,788 5,333 3,518
3 Children		6,121	5,331 10,666	5,278	2,235	2,266 4,671	2,855	2,682 6,484 5,278
4 Children		8,161	5,828 10,666	5,278	2,980	2,763 4,671	3,806	3,179 6,484 5,278

* Employee

