



PROBUS Club of Central Edmonton Newsletter

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February 21 Paul Owens



Paul Owens spoke to our (very pensionable) members about pensions. We were provided an excellent, insightful, and interesting presentation on pensions. His professional career has focused on the policy and funding issues associated with pensions in various Canadian jurisdictions and in various economic sectors. More recently, he is under contract to the Element Consulting Group as senior VP (Pension Policy). Previously he was deputy superintendent of pensions responsible for regulating 600 pension plans under the Alberta Employment Pension Plans Act.

Paul's presentation slides with interesting supporting data are available online via the view a link included in a Club email. A recording of the presentation is not available.

Major considerations regarding a possible Alberta Pension Plan (APP) were addressed in the presentation. The UCP initiated a report from the Fair Deal Panel in 2020 and committed to a referendum on a possible APP. Data from the Fraser Institute show that Alberta pays 17% of CPP contributions. This is compared to Alberta receiving 11% of CPP benefits. Single-year savings per employee would be \$1,300, with contribution per employee falling from 5% to 3%. Alberta's younger workforce and smaller retirement cohort explain these demographic statistics.

Paul identified up to 18 issues to consider in establishing an Alberta Pension Plan, these include:

- How are Alberta CPP liabilities determined? Complicated process
- Liabilities for current Albertans who worked elsewhere.
- Liabilities for former Albertans who worked in Alberta.
- Liabilities and administration for APP pensioners who move outside of Alberta?
- Liabilities and administration for CPP pensioners who move to AB?
- Is proposed lower APP contribution rate sustainable as AB population ages?
- CPP vs QPP contribution – 4.95% vs 5.40%
- Why is QPP higher? – older population for QPP than CPP.
- High costs of transition from CPP to APP
- Higher costs of ongoing administration – loss of economies of scale
- Who would administer APP?

Factors arguing against an APP include:

- Under CPP legislation, a separate APP being obliged to pay benefits equal to the CPP.
- The CPP generating investment returns of 10% over 10 years, compared to AIMCo's 7%.
- The CPP administration cost being lower with 6.5 million CPP active members, compared to 1.1 million active members in Alberta.

- APP and CPP having to calculate the equivalence of contributions and benefits for individual movements of members between APP and CPP at significant cost.
- A new investment manager being needed for APP.

Statistics in the presentation reflected demographic trends and the switch from 'defined benefit' plans to 'defined contribution' plans. Very useful information on the income streams for CPP, OAS and GIS were presented for the ages of 60, 65 and 70.

Financial planning information regarding TFSAs, RRSPs/RRIFs, LIRAs/LIFs was also presented with tax implications, tax sheltering, survivor transfers, contribution rules and withdrawal guidance.

Paul also noted that pension arrangements in Canada are very well regarded internationally.

March 1 - Michelle Whaling

Our "February" tour was on March 1st at the University of Alberta. We visited Device Development, Biological Testing, Sensorimotor Integration & Machine Learning, and Robotics & Virtual Reality. Michelle Whaling (operations manager of the Division of Physical Rehabilitation of the Faculty of Medicine) was our host. She provided an opening talk and lead us to the various location. At each location, a resident researcher showed us their lab and spoke about the research they did.

We started with the Rehabilitation Robotics lab. The first photo is the EON iCUBE a unique facility helping wheelchair users to get back to moving around. This wheelchair propulsion simulator helps researcher understand and better treat common upper body injuries. Next, we have a power wheel that can be used on virtually any wheelchair, rather than the bulky powered wheelchairs we now see.



In this picture taken at the Device Development Lab we see an image at a cellular level. The researcher spoke about improving the understanding of rejection particularly in the brain and spinal cord.

Next, we have a picture of the work bench used when developing devices, such as one delivers small electric pulses to muscles for exercise. The device can also be fitted into socks for reducing the risk of blood clots and into other devices.

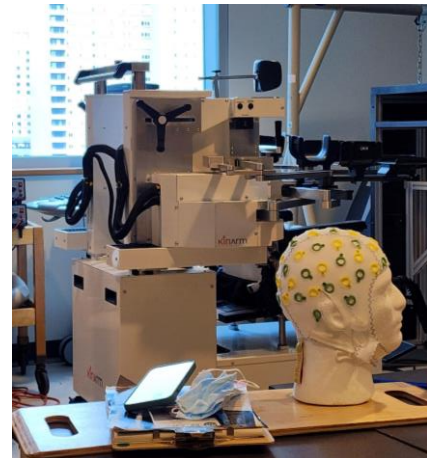


Here we have range of devices that were developed or acquired to research artificial hands. Researchers are particularly interest in understanding how to enhance sensory feedback. The ones on display are designed to provide sensory feedback with out surgery. Such as surgery which attaches artificial limbs to existing nerve ends.



The Picture to the right show 2 devices, in the lab for rehabilitation and innovation. In the foreground we see a head cover that monitors brain activity. In the background is a training device used for work with severely handclapped.

In this lab they showed us 2 devices that are ready for commercialization one being a sock to reduce blood clots on long flights. The second being garments that can be worn by someone in a wheelchair or confined to bed to stimulate the muscles and skin and prevent the development of sores. These were called the “Sock” and “Smarty pants”.



Have a Great month – next thing you know it will be Spring!