



Le Flambeau Express

NEWSLETTER OF THE ASSOCIATION
OF RIO TINTO ALCAN RETIREES MEMBERS OF THE APP

JANUARY 2010

www.rcra01.com

Special edition for members in good standing

A word from the outgoing president

It's after 6 ½ years as president of the RCRA, that I leave my place to another. Indeed, I was elected for the first time during the general meeting in May 2003.

I believe, with the constant support of a team of highly motivated volunteers, to have accomplished the great majority of the objectives that you gave to me for this period.

The RCRA is now orienting itself to a much enhanced scope, with members spread over the four corners of the globe. With world-wide markets, just the challenge of defending our acquirements is going to require an enormous effort. It is thus more and more important to be united in the support of your RCRA team.

Since the 1st of January 2010, I am a part of the RCRA team as a director, to complete my mandate until 2012. I will also continue to represent you on the FARQ (*Federation of the Associations of Quebec Retirees*) as director for the legislative portion for the defence of our governmental rights at both the Quebec and federal levels.

I wish my successor the best of luck and assure my constant support for the continuation of this great challenge to which I've given so much, always with the conviction of the urgency of looking after ourselves.

To you all, many thanks and looking forward to seeing you.

Réginald Cantin

Woops ! Did you forget ?

If you have not already done so, it's time to renew your membership card. Your faithful support is essential to help us reach our objectives.

How's our APP fund doing ?

Since the 30th of September 2009 the return has improved considerably to 11.3 % compared to a negative return of -18 % to the 31st of December 2008. Thus, the assets have passed from 2.4G\$ (billions) to 2.6 G\$. **This is good news!**

Furthermore, the deficit on the capitalisation base as of the 30th of September 2009 is -77.7 millions\$, which is a ratio of 97 % compared to the 91 % of the 31st of December 2008. The capitalisation deficit was then - 250 million dollars. The financial situation is rapidly improving and is moving towards a surplus in the next few months.

The consumer price index for 2009 being negative, our purchasing power has not been weakened. Consequently, **no inflation thus no indexation** and this even if there had been a surplus in 2009.

Better protection for our funds

Within the many new financial and administrative measures brought in by the adoption of Law 30 in 2006, the ruling relative to the **provision for unfavourable difference (PUD)** came into effect on the 1st of January 2010. The objective of this ruling is to protect the retirement funds in the case of financial difficulties of the enterprises responsible for their management.

The law demands that each pension plan set up a reserve, that is to say, a **provision for unfavourable difference (PUD)**. The employer cannot take a subscription holiday until this reserve is fully constituted.

Our APP obviously falls under this law. The old policy foresaw an indexation of 50 % when the surplus was between 100 and 115 %. With this change, the minimum of 100 % for the setting up of the reserve is increased to 110 %. Details are expected from the fund managers.

Medical insurance plan

We have received a request from our colleagues in Kitimat who wish clarification about some points on this subject. We're working on it!

Newly elected to the APP

It was during the last general meeting of our pension plan-APP held on the 18th of June 2009 in Montreal that our representatives to the retirement committee were elected. Here are the results: Yvonne Flavelle 970, Michel Fortin 1558, William J Garvin 683, Richard Yank 1325.

Congratulations to Mr. Michel Fortin and Richard Yank and thanks to all the retirees of our pension plan for the support that you gave them.

A warm welcome !

Welcome and thanks to the **250 new retirees** who joined the RCRA in the autumn of 2009. These new retirees come from all over the world, but are mainly concentrated in Ontario and British Columbia. However, it's in Quebec that the members of the RCRA are the most numerous.

Work session

Given the increasing number of new members, the administrative council of the RCRA met last October 25th to question our way of doing things and to reorient certain activities as deemed necessary.

The representatives of Shawinigan and Beauharnois, Claude Bellemare and Florio Poirier were there and also the two representatives to our retirement committee: Michel and Richard. The results of our work will be presented to you at our next general meeting in May 2010.

Changes in the SRP

The laws which frame the Supplementary Retirement Plans can have a major effect on us, the beneficiaries of this type of plan. The FADOQ (*Federation of Quebec Seniors*) network has produced a memorandum that it wishes to put before the Quebec Provincial Parliament, as well as the Canadian Federal Parliament, to sensitize our elected officials about the problem of SRPs.

The FARQ (*Federation of the Associations of Quebec Retirees*), of which the RCRA is a member, will partner with the FADOQ on this issue. To have an idea of the stakes in question, please read the communiqué titled "*Nos ânes à bout de souffle*" at the internet site www.fadoq.ca. (Note: RCRA members may refer to the English translation – "Retirees at the End of Their Tether" at the RCRA web site).

Video on old age

Our colleague, Gilles Leblanc, explains clearly and in few words why this period of life called the Golden Years has nothing golden about it for many of us. He also invites retirees to unite to be better heard. One can view this document at <http://ca.video.yahoo.com/people/7317493>

To catch-up on our purchasing power

One of our priority objectives for several years has been to obtain a catch-up formula. This would allow us, in periods of surplus to cover the loss caused by the non-indexation of our income; obviously, without putting our fund at risk.

Rio Tinto Alcan refuses this formula without any explanation on the basis, whereas we were promised that it would profit by this update to study the feasibility. It proposes rather another way: *possible ad-hoc indexation* at its discretion. It is obvious that we cannot trust such an arbitrary formula, without guidelines or reference points to guarantee our purchasing power.

At the beginning of the millennia 2000, the surplus reached the level of almost 900 million\$ or 150 %. This brought up the famous idea of contribution holidays for active workers.

We believe in other good years in the future and would like to benefit from them. It's by a well established catch-up formula that we'll have the opportunity to recover our purchasing power.

Be assured that we'll continue to work on this issue with the objective catching-up to the cost of living that is actually about 5 %. We need the support of all retirees of Rio Tinto Alcan members of the APP.

Réginald Cantin

A word from the interim president

Greetings to all Rio Tinto Alcan retirees members of the APP.

Following Reginald Cantin's decision to resign as President of the RCRA Administrative Council as of the 1st of January 2010, I have accepted as vice-president and in conformity with the general regulations of the RCRA to take over as interim president until the beginning of May 2010 and the nomination of a successor by the Administrative Council; that is to say after the RCRA Annual General Meeting.

I wish to thank Reginald for the enormous and excellent work accomplished during the time that he was President of the RCRA. Reginald will continue, as a director of the Administrative Council, to benefit our group by his support in certain important dossiers and to sit as representative of the RCRA on the Administrative Council of the *Federation of the Associations of Quebec Retirees* (FARQ).

As for myself, I propose to continue working on the dossiers that have been prioritized by the members so as to meet their objectives and to see to the respect of the rights, the interests, and the gains of all the RTA retirees who are members of the Alcan Pension Plan.

Gilles Boulianne, Interim President