

NEWSLETTER

MARCH/APRIL 1999, VOLUME 25.4, Jeffery Donaldson, EDITOR



Faculty Approve 3-Year Agreement

RESULTS: Ballot regarding Joint Committee Agreement

We hereby confirm the ballots to the question: "I hereby approve the Remuneration Agreement for the period July 1, 1999 to June 30, 2002 reached in the Joint Administration/Faculty Association Committee on March 11, 1999".

RESPONSES

YES 205	NO 78	SPOILED 1
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TOTAL BALLOTS CAST 284

*Richard A. Hoecht, CA
Hoecht Galvin Chartered Accountants*

OHIP Coverage during Research Leaves: Good News

After a concerted lobbying campaign by OCUFA, Ontario's Minister of Health, Elizabeth Witmer, has decided to relax the regulations on OHIP coverage for Ontario residents working outside Canada. The new regulations mean that McMaster faculty who spend their research leave outside Canada are virtually assured of retaining health coverage during that period.

As of March 1, 1999, residents of Ontario will be able to retain continuous health coverage during an extended employment absence from Ontario of up to five years. The only conditions for retaining coverage are that the person is employed (either by a Canadian or by a foreign-based employer), has been ordinarily resident in Ontario for at least two consecutive years prior to departure, and maintains his or her permanent and principal home in Ontario throughout the absence. Ontario residents will be able to work outside Ontario for as many such terms as they wish, provided they meet the conditions. The new regulation also applies to an accompanying spouse and/or dependent children under 19 years of age.

Prior to March 1, the extended absence regulation applied only to Ontario residents working for an Ontario employer. Coverage was allowed for up to two years on a once-in-a-lifetime basis, in any case where a person was absent for more than 182 days in a 12-month period. The Ministry of Health has a database of persons requesting such absences since 1990, and recently denied OHIP coverage to an Ontario faculty member who left Canada on research leave. In addition to losing coverage while outside Canada, such a faculty member would have to wait 90 days upon return to Ontario before regaining coverage, as would his or her accompanying dependents.

OCUFA over the past two years has met, corresponded with and spoke by telephone with Ministry of Health officials about the extended absence policy, often in conjunction with the Council of Ontario Universities (COU). Its activities reflect a recent broadening of its lobbying beyond the ministry of education and training to other ministries whose

decisions have an impact on Ontario university professors.

David Hitchcock

McMaster's Pension Plan

A Performance Review



Actuarial Valuation of the Pension Plan as at July 1, 1998

Excerpts from Report to the Pension Trust Committee
Prepared by William M. Mercer Ltd.

The purpose of the report is to inform the University regarding the funded status of the Pension Plan and the contribution requirements for the year following the valuation date and to provide the documentation prescribed by the Pension Commission of Ontario and Revenue Canada.

When conducting a valuation on a going-concern basis, the relationship is determined between the respective values of assets and accumulated benefits, assuming the Plan will be maintained indefinitely.

FINANCIAL POSITION

The results of the valuation as at July 1, 1998, in comparison with those of the previous valuation as at July 1, 1997, are summarized as follows:

Financial Position -- Going-Concern Basis (\$000's)

	JULY 1, 1998	JULY 1, 1997
Actuarial Value of Assets		
(adjusted for in-transit amounts)	\$836,931	\$732,280
Actuarial Liability		
present value of accrued benefits for:		
Active Members	\$321,504	\$307,506
Pensioners & Survivors	\$244,203	\$234,265
Deferred Pensioners	\$1,701	\$1,264
Additional Voluntary Contributions	\$90	\$100
Inactive - Status Undecided	\$10,832	\$8,540
Total Liability	\$578,330	\$551,675
FUNDING EXCESS	\$258,601	\$180,605

CURRENT SERVICE COST

The estimated value of the benefits that will accrue on behalf of the active members during 1998/99, in comparison

with the corresponding value determined in the previous valuation as at July 1, 1997, is summarized on the next page.

Employer's Current Service Cost (\$000's)

	JULY 1, 1998	JULY 1, 1997
Total Current Service Cost	\$20,988	\$20,647
Estimated members' required contributions	\$5,570	\$ 5,605
Estimated employer's current service cost	\$15,418	\$15,042
Employer's current service cost expressed as a % of members' contributions	277%	268%

***Members will contribute 50% of this amount during the 1997/1998 and 1998/1999 Plan years. The remainder will be funded through surplus assets in the Plan.**

MEMBERSHIP DATA: Plan membership data is summarized below.

Plan Membership

	JULY 1, 1998	JULY 1, 1997
Active Members	2,736	2,731
Pensioners and Beneficiaries	994	970
Deferred Pensioners	60	54
Inactive-Status Undecided	279	251
TOTAL MEMBERSHIP	4,069	4,006



Measurement of Investment Management Performance for the Quarter ending June 30, 1998

Time Weighted Rates of Return

UNIVERSITY || QUARTERS ENDING || ANNUAL RATES || LONGER PERIODS

	Sep 1997	Dec 1997	Mar 1998	June 1998	Year Ending June 98	Jun94- Jun95	Jun95 - Jun96	Jun96- Jun97	Jun96- Jun98	Jun95- Jun98	Jun94- Jun98
									2 yrs	3 yrs	4yrs
Queen's	6.4	(2.4)	7.7	0.9	12.8	12.8	13.7	22.1	17.4	16.1	15.3
York	5.7	(2.2)	8.4	(0.0)	12.0	13.2	13.3	19.2	15.6	14.8	14.4
McMASTER	5.6	0.1	8.0	1.1	15.4	16.2	14.2	21.7	18.5	17.1	16.8
Carleton	6.3	(2.6)	7.7	0.6	12.1	14.3	13.2	20.9	16.4	15.3	15.1
Brock	5.3	(0.4)	8.3	0.8	14.4	12.5	12.2	18.6	16.5	15.1	14.4
Waterloo	6.4	(2.1)	7.9	0.4	12.9	12.6	14.5	22.3	17.5	16.5	15.5

Windsor	4.7	(2.4)	7.1	(0.4)	9.0	13.3	13.2	19.9	14.3	14.0	13.8
TSE	9.8	(4.4)	13.3	(2.2)	16.3	15.3	14.0	30.2	23.1	20.0	18.8
S&P500	7.5	6.5	13.1	6.8	38.3	24.1	25.1	36.5	37.4	33.2	30.8
Long TermBonds	7.6	4.2	4.1	3.2	20.5	21.3	11.1	21.0	20.7	17.4	18.4
Mid TermBonds	4.7	1.2	2.9	1.1	10.2	17.9	10.7	14.8	12.5	11.9	13.4

Returns include interest income, dividends, currency gains/losses, capital gains and are net of investment expenses.

Prepared by William M. Mercer Limited.



Combined Managers: Asset Commitment Comparables

	MARKET VALUE					POLICY ASSET MIX		
	Jun97	Sept97	Dec97	Mar98	Jun98	Min	Bench	Max
	%	%	%	%	%	%	%	%
EQUITIES								
Canadian (JF/Linc)	17.4	17.2	16.2	16.5	16.7			
Canadian (Index)	12.3	12.9	11.7	12.4	12.1			
TOTAL Canadian	29.7	30.1	27.9*	28.9	28.8	25	35	60
U.S. (JF/Linc)	10.6	10.5	11.3	11.7	11.4		10	
U.S. (Derivative)***	6.4	6.6	5.1	5.4	5.5			
Non-N.A.	9.8	9.6	9.3	9.8	10.1		10	
TOTAL Foreign	26.8	26.7	25.7	26.9	27.0	10	20	25**
TOTAL Equities	56.5	56.8	53.6*	56.8*	55.8	35	55	75
FIXED INCOME								
Bonds (JF/Linc)	24.6	25.6	25.2	25.7	25.1			
Bonds (Index)	14.2	14.1	14.5	13.9	14.1			
TOTAL Bonds	38.8*	39.7	39.7	39.6	39.2	25	42	50
Cash	4.7	3.5	6.7*	4.6*	5.0	0	3	15
TOTAL Fixed Income	43.5	43.2	46.4*	44.2*	44.2	25	45	65
TOTAL FUND	100.0	100.0	100.0	100.0	100.0			

* change in weighting of +/- 2% since previous quarter

** Maximum of 20% by book value

*** deemed to be Canadian content

COMMENTS

The market value of the Fund increased from \$895.3 million on March 31 to \$898.8 million on June 30, 1998 after accounting for net cash withdrawals of \$6.6 million. Lincluden's portfolio declined as a percentage of the Fund in the second quarter, while Jarislowsky's portfolio increased, primarily because Jarislowsky had better performance than Lincluden.

The above table provides the breakdown of the Fund by asset class. The foreign content, at 27.0%, remains above the Policy maximum of 25.0%, due mostly to the superior performance of US and non-North American equities last quarter compared to Canadian stocks and bonds.

Prepared by James P. Marshall, Inc.



Lorraine Tinevez

School of Nursing

Lorraine Tinevez, Assistant Professor, School of Nursing, died March 23, 1999 in Islamabad, Pakistan following a very brief illness. She joined the Faculty in January 1995 and had been working in Pakistan on a full-time basis with the School of Nursing's international project funded by CIDA, *Development of Women Health Professionals (DWHP)*. Prior to joining McMaster she had extensive international experience in South America and held a faculty appointment at the University of Calgary. Lorraine was a key member of a team of 19 McMaster and Aga Khan University faculty seconded to the DWHP Programme on a full-time basis to assist the Government of Pakistan to reform the education, regulation, and utilization of nursing in Pakistan and to develop nursing research. Her responsibilities rested primarily with the development of the regulatory body, Pakistan Nursing Council (PNC), the Offices of Senior Nurses in the federal and provincial Governments, and the professional association, the Pakistan Nurses Federation (PNF). In her four years with the DWHP Programme she played the major role in assisting the federal and four provincial governments in Pakistan and the regulatory body in nursing to develop management information systems which provided, for the first time, accurate and reliable information on nursing resources in Pakistan. Under her leadership information was generated and analyzed on the number and type, educational

preparation, and utilization of all cadres within nursing. In collaboration with the nursing regulatory body, Pakistan Nursing Council, she instituted a reform of the examination system for entry into nursing, and, at the time of her death, was in the process of assisting the PNC to strengthen its system of monitoring, assessing, and approving all educational programmes in nursing. Her prior experience in international health, determination and her great sense of humour were assets as she worked with the nursing profession to overcome innumerable barriers, many deeply embedded in the socio-cultural values with which nursing in Pakistan must contend.

She was enrolled as a part-time doctoral student at the University of Cardiff. Her study of nursing leadership was expected to contribute to our understanding of women health professionals who had achieved leadership positions in a highly paternalistic system. She served as a mentor to her Pakistani colleagues in the preparation of manuscripts for publications and for presentations at professional conferences.

Professor Tinevez made a substantial contribution to the SON's international activities and her death is a great loss to the DWHP Programme. Our condolences to her partner Karel, her mother, sisters, brothers, nieces and nephews.

*Susan French
School of Nursing*



Sherlock Holmes and Dr. Watson went on a camping trip. After a good meal and a bottle of wine they lay down for the night and went to sleep. Some hours later, Holmes awoke and nudged his faithful friend.

"Watson, look up at the sky and tell me what you see."

Watson replied, "I see millions and millions of stars."

"What does that tell you?"

Watson pondered for a minute. "Astronomically, it tells me that there are millions of galaxies and potentially billions of planets. Astrologically, I observe that Saturn is in Leo. Horologically, I deduce that the time is approximately a quarter past three. Theologically, I can see that God is all powerful and that we are small and insignificant. Meteorologically, I suspect that we will have a beautiful day tomorrow. What does it tell you?"

Holmes was silent for a minute, then spoke.

"Watson, some one has stolen our tent."