

RTO/ERO
16

THE RETIRED TEACHERS OF ONTARIO
LES ENSEIGNANTES ET ENSEIGNANTS RETRAITÉS DE L'ONTARIO

DISTRICT 16
CITY OF TORONTO

President: Bill Tajer 494-8590

Newsletter Editor: Mary Noylander 516-6844

SEPTEMBER 1999

PRESIDENT'S MESSAGE

How quickly those beautiful days of summer passed by! We hope that you had many opportunities to join with family, friends and participate in and enjoy your favourite pastimes.

Congratulations colleagues on your decision to retire and our warmest welcome to you as members of RTO/ERO. We hope that this September you looked forward with the same positive anticipation to the new "school" year, as you did some thirty years ago, when you began your career. You leave behind many envious friends, still in the ranks, whom we will continue to encourage and support in their great vocation.

Our new year promises a continuation of a variety of activities for your involvement. These include celebrations, regular social events and those activities that emphasize our motto "Service To Others". These are highlighted in our newsletters.

Our **Annual Meeting on October 13** will be another opportunity to share companionship, enjoy some entertainment and elect an Executive. Please join us!

If you are interested in serving on the Executive or assisting with some committee work, please contact **Pat Carson (626-5995)** or **Bill Tajer (494-8590)**. We promise you a rewarding and enjoyable experience. This requires a few hours a month, a positive outlook and as the slogan says "anyone can do it."

As our organization continues to grow in numbers and prominence, the varied interests and needs of the members are constantly addressed by the Provincial Executive and staff. Issues related to: retirement concerns, changing District grants, improving communication and serving others will receive attention during the Fall Senate in October.

May I express a sincere note of gratitude to the members of our Executive and the various committees, who through their diligent efforts and continued good humour made many special things happen. It was always a pleasure being and working together. My best wishes to our new Executive for the challenges ahead.

Bill Tajer, President

DATES TO REMEMBER

Executive Meeting	Thursday, October 7
Luncheon & Annual Meeting	Wednesday, October 13
Sesqui Book Sale	October 19, 20 & 21
Stratford Festival	Friday, November 21
Academy Theatre Presentation (Lindsay, ON)	Sunday, December 12

MEMBERSHIP

Welcome To Retirement. To the nearly 300 former City of Toronto educators who retired in June, welcome to retirement. Those of you who have joined provincial RTO/ERO are receiving this District 16 Newsletter and have taken the first step toward enjoying a fulfilling, high-quality life. Club 16 offers you a long and varied menu of activities that will tempt you, and allow you to continue to enjoy the company of former colleagues. Remember, the more that you put into life, the more you get out of it. Get involved in the issues which interest you:

Note: Retired Teachers of Ontario has a new address:
18 Spadina Road, Suite 300, Toronto, ON M5R 2S7

If you are moving: Please call the changes to:
Diane Vezeau, RTO Membership Coordinator at **962-9463** and
Val Fiedler at **510-1861** to continue receiving your Newsletter.

*Chuck Carr and Val Fiedler
Membership Committee*

CLUB SIXTEEN

All functions take place at St. Margaret's Anglican Church at the corner of Avenue Road and Burnaby Boulevard, one block north of Eglinton Avenue West. Monthly Travelogues will take place in the large room upstairs.

OCTOBER 1999

BRIDGE	Oct. 5, 19 - Tuesdays - 1:15 p.m.	Convenor: John Lane - 486-0697
CRAFTS	Oct. 26 - Tuesday - 1:30 p.m.	Convenor: Nell Godfrey - 695-3408
TRAVEL	Oct. 27 - Wednesday - 1:30 p.m.	Convenor: Val Fiedler - 510-1861

"Remembering When" - the coast and Normandy.
Presented by **Barry Cheeseman and Lyda Dmytriw.**

NOVEMBER 1999

BRIDGE	Nov. 2, 16, 30 - Tuesdays - 1:15 p.m.	Convenor: John Lane - 486-0697
CRAFTS	Nov. 23 - Tuesday - 1:30 p.m.	Convenor: Nell Godfrey - 695-3408
TRAVEL	Nov. 24 - Wednesday - 1:30 p.m.	Convenor: Val Fiedler - 510-1861

"Discovering the winter beauty of New Zealand and Australia"
Presented by **Dennis and Val Fiedler.**

BOOK CLUB

Meetings of the Book Club are held monthly in members' homes.

The book selected for

October is *Tara Road* by Maeve Binchy
and

November is *Possession* by A.S. Byatt.

For information call **Lyda Dmytriw** at **694-1529** or **Joan Johnston** at **691-5368.**

MOVIE CLUB

This group has had a good response.

For information call **Kelly Todesco** at **693-0216** or **Brenda Wilson** at **482-2853.**

RTO/ERO DISTRICT 16 MEMBERSHIP SURVEY RESULTS

Many thanks to the hundreds of District 16 members who completed and returned the RTO/ERO Membership Survey. All questionnaires received up to July 22, 1999 were analyzed and all comments and recommendations have been forwarded to the appropriate committees.

The 17 items in the survey were ranked by respondents in order of priority from highest to lowest. The collective results of the survey (see table below) identified the relative importance of these items to the membership. This sends a message to both the District 16 and provincial executives regarding how the membership wishes resources (e.g. money, time, research, literature) to be allocated to these items.

Points: In order to establish an identifiable difference among survey items, highest priority items were assigned 10 points, second priority items were assigned 5 points, and lowest priority items were assigned 1 point. The total number of points were calculated for each item and the items then ranked in point total order. Thus, *Pension Changes* ranks as the highest priority because it gained 2235 points, and *Travel: One Week Plus* ranks lowest because it achieved 638 points.

Once again, thank you for your time and consideration of this survey.

Chuck Carr, Membership Convenor

Rank	Survey Items	Points
1	Pension changes	2235
2	Government Seniors' Benefits Changes	2171
3	Advocacy	2157
4	District 16 Newsletter	2137
5	Health & Insurance Benefits	2115
6	Financial Planning Service	1740
7	Provincial Newsletter	1626
8	Goodwill	1514
9	Retirement Counselling	1410
10	Liaison with OTF & Affiliates	1404
11	Fellowship	1270
12	Travel: One-day Trips	1235
13	Group Activities	1015
14	Home Insurance	948
15	Y2K Information	905
16	Auto Insurance	845
17	Travel: One Week Plus	638

CLUB SIXTEEN DAY TRIP

"Gold, Frankincense and Myrrh" is the special Christmas choral production to be seen on Sunday, December 12, 1999. This fine Christmas treat is directed by Mr. James Brown at the Academy Theatre In Lindsay.

The trip includes transportation by motor coach, lunch, the matinee performance and dinner at Cullen Gardens on the return trip.

Total all-inclusive cost is \$70.00.

A limited number of spots is available.

Phone Jack DeGroot at 691-3046 to confirm a reservation.

When confirmed, a cheque payable to "Club 16 RTO/ERO" is to be mailed to:

Jack DeGroot at 19 Elmview Drive, Scarborough, ON M1N 2W3.

WANTED!

Quality items for auction to raise funds to feed children! Looking for a special and worthwhile purpose for some of your extra antiques, collectibles, paintings, tickets? TEOF (Toronto Educational Opportunity Fund) can provide value-in-kind Tax Deductible receipts to you for donations of: oil paintings, water-colours, prints, stained glass, carvings, sculptures, quilts, etc., as well as special event items such as theatre performances, Blue Jays and Leaf game tickets, dinner parties, glider flights, etc. TEOF will auction such items, and use the money to feed children!

Mark this date on your calendar: Friday, November 19, 1999

THE 7TH ANNUAL TEOF "FEED THE KIDS!" AUCTION

Fountain Dining Room, in the Queen Elizabeth building at the C.N.E.

\$25.00 admission includes: parking, buffet supper, catalogue, door prizes!!

5:30 Silent Auction starts 6:30 Buffet Supper 7:30 Live Auction begins

A fun night where all of the proceeds go to feed the school children!

To make a donation of items for the auction or for further information call Les Birmingham at 299-6450 or Shona Milligan at 698-1971 or Mike Lennox at 621-6797

CALLING ALL "FORTY-NINERS"

Many of us who were at Toronto Normal School in 1949 are planning to "approach" the Vaughan Estate, located in the Estates of Sunnybrook, Toronto, on the afternoon of Tuesday, October 5, 1999 for a reunion party to celebrate our 50th year after graduation!

Want more information?.....

Call Les at 299-6450 or Edwina at 755-2074 or Sylvio at 626-3573

During the summer we received an interesting phone call regarding a change of address from Lisa (Zakrison) Makarchuk. Lisa was a former teacher at Runnymede Jr./Sr. Public School and is now the Honorary Consul for Canada in Cuba. She extended an invitation to anyone travelling to Cuba to visit her at the consulate in Varadero, Cuba.

MINDING YOUR MONEY

Minding Your Money is a "service to others" offered by District 16. The investment and tax advice column provides timely advice on investing and taxation as well as *retirement management* advice. While there is much more to retirement (e.g. family, wellness, Club 16 activities), this column focuses upon the financial aspects of retirement.

Will You Outlive Your Money? One of the first things that newly retired members (and all retirees for that matter) need to do is to *review* their investment portfolio to confirm that the annual *growth* of their investments keeps pace with or outperforms the amount of money they withdraw. (You may change investments held in RRSPs and RRIFs.) With interest rates at very low levels, it is important to know what to reinvest in when those 8% GICs mature. Remember that the *real income* from investments is the amount left over after your investment income is reduced by inflation (3%) and income taxes on investment. Your RRSP and RRIF fixed investments, (e.g. bonds, GICs, T-Bills) may be reinvested in better performing securities as they mature.

Good News for RRSP/RRIF Holders Until this month, RRSP investors have been prohibited from holding more than 20% of their portfolio in foreign securities. The effect of this has been to subdue investment returns in RRSPs/RRIFs. From 1950 to 1999, the *world* gross domestic product (GDP) has risen by 1200 base points, while Canadian GDP has risen by only 600. Thus, if you had an 8% return in your RRSP while being limited to 20% foreign investments, you could have achieved a 16% or better return with no greater risk without the limit. See your investment advisor to discuss these new products that may contain up to 100% foreign content, yet remain 100% RRSP eligible. You may transfer funds free within the same fund company.

Tax Efficiency Investing and income tax are inextricably interrelated. Understanding this interrelationship is fundamental to maximizing investment returns and minimizing income taxes. Knowledge of *tax efficiency* can make a significant difference in your investment returns. Investment income is usually earned as interest, capital gains or dividends from Canadian companies. Each *type* of investment income is treated differently by Revenue Canada.

Interest income, (e.g. bank, GIC, T-Bill, mutual fund interest) is the most common type of investment income and is the *least* tax efficient. Interest income is usually reported by institutions in Box 13 of T-5 slips, and reported by taxpayers on line 121 of the tax return. Revenue Canada taxes interest earned at 100% of its reported value.

Capital gains/losses represent an increase/decrease in value of real property or securities over time. Capital gains/losses are usually reported in Box 21 of T-3 slips, and reported on line 127. Revenue Canada taxes capital gains at 75% of their reported value.

Dividends from Canadian companies are the *most tax efficient* form of investment income. They are usually reported in Box 23 of T-3 slips, and reported on line 120. A complicated process of grossing up actual dividends received, then claiming a federal, dividend tax credit leads to Revenue Canada taxing dividends from Canadian companies at 66.6% of their reported value.

So, what's the big deal!

For discussion purposes, we will look at investors in the 40% marginal tax bracket. Let us examine the after-tax investment income *retained* for each type of investment income. Investors who earn \$1,000 in interest income retain \$600 (i.e. \$1000 less 40% tax on \$1000). Those who receive capital gains retain \$700, (i.e. \$1,000 less 40% of \$750). Those who receive dividends from Canadian companies retain \$736, (i.e. \$1,000 less 40% of \$666.66).

Said another way; investors earning 10% in interest do no better than earning 8.6% from capital gains or 8.2% in dividend income. When comparing investment instruments or the historical returns of mutual funds, be certain to confirm the manner in which investment income is paid. Knowledge of tax efficiency is very important in sound investing.

Common wisdom suggests that investors hold interest-bearing securities inside *sheltered investments* like RRSPs and RRIFs because the money is taxed as *income* (i.e. is taxed at 100%) when it is withdrawn. Unsheltered money should be invested in tax efficient securities that pay investment income in capital gains and dividends.

Submitted by C.W.N. Carr

PROVINCIAL EXECUTIVE UPDATE

At its June 1999 Meeting, the provincial executive undertook the following:

- To have at a future Senate meeting a discussion on priorities for the next round of Teachers' Pension Plan partners' negotiations.
- To accept, in principle, that French-language Districts can be formed with the requirement that there be at least 100 members.
- To ask the Member Services Committee to develop minimum criteria for the formation of Districts/Units.
- To send two RTO/ERO representatives to the Ontario Teachers' Pension Plan Board requesting the help of the Board with any proposed RTO/ERO Personal Planning for Retirement Program.
- To provide Project - Service to others to four designated Districts.
- Decide that the Founding Members Award will not be made in 1999.
- To survey District Executives as to their communication needs.

Reprinted from the *District Updater* - June 1999

Real knowledge is to know the extent of one's ignorance.

Confucius

I N M E M O R I A M

RTO/ERO District 16 extends condolences to families, friends and colleagues of those deceased. May we, together, share in the mourning of the loss and in the celebration of service rendered.

Ellen May Copeland

Marion J. Crocker

A. Earl Davison

Marjorie Corran Johnston Eckhardt

Hans Gunther Gasteiger

Elsie Caroline Hudson

Heleen Lortie

Catherine MacPherson

Katarina (Kit) Pavlovich

Peter Pedreschi

William John Quinn

Mary Scott

Marjorie Eleanor Tucker

Myrtle (Peggy) White