

*Sears Retiree Group*  
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**MARCH 2011**

**UPDATE # 24**

**CURRENT MEMBERS**  
**7200**

### **WE REMIND YOU**

Although the Sears Retiree Group (SRG) enjoys cordial relations with Sears Canada Inc., our organization is neither sponsored nor endorsed by Sears. It is extremely important that retirees understand the distinction between the two when communicating with either party. And it is the reason why both SRG and Sears Canada should be advised of a retiree's change of address or death. Sears Canada does not advise SRG when it receives a change of address or notice of a retiree death

Further, any questions you may have relating to your benefits or your pension should always be directed to Sears Canada or Sun Life, the administrator of the company's benefit plan. The Sears Retiree Group has neither the qualifications nor the authority to answer such inquiries.

We do however welcome your comments and inquiries relating to Update content, ideas for inclusion in future issues, frequency of issues of Update, names and addresses of your regional director, qualifications for SRG membership, our origin and history, etc.

### **CONTACTS**

Sears retiree group (SRG) – see info on page header above.

Sears Canada – Phone: 1-888-444-9444. E-Mail: [hrsc@sears.ca](mailto:hrsc@sears.ca)

Sun Life – Phone: 1-800-361-9865. Website – [www.sunlife.ca](http://www.sunlife.ca)

### **IMPORTANT**

It is important to remember that if the retiree dies, the benefits and the pension option chosen will continue until the spouse dies.

### **MISSION STATEMENT**

The Sears Retiree Group is an organization dedicated to the protection of the pensions and benefits of Sears Canada retirees and their surviving spouses or dependant partners regardless of the retiree's year of retirement.

## **PRESCRIPTION PRIOR AUTHORIZATION PLAN**

Retirees who receive medical and dental benefits will have received a letter with attachments from Ismat Mirza, Sears Vice President Business Capability and Human Resources announcing the introduction of a prescription prior authorization program for specifically named drugs used to treat what are called “certain non-life threatening ailments”. A list of these drugs, the ailments they treat, instructions on how to go about obtaining prior authorization and a list of questions and answers were included with the letter.

We have advised Sears that we object strongly to this planned change to the Health and Dental Plan on the grounds that on June 6, 1997 Jim Clifford, then President and Chief Operating Officer announced in a letter to all retirees that benefits would continue at the level effective January 1, 1996. The letter obviously made no mention of a prior authorization requirement for any prescription.

We have been advised by our legal counsel that before considering possible legal action it would be necessary for us to provide proof in the form of documented evidence that a claim for prescription coverage has been denied under the prior authorization process and that as a result the claimant has been made responsible for the payment of the prescription.

If you have been required to pay for a prescription under this process we are requesting that you provide SRG with the details either by regular mail or e-mail at the address on our letterhead, and that you include a print copy of the notice to you from Sun Life that your prescription is not being covered. Sears has indicated in their letter that Sun Life may advise your pharmacy, rather than you directly, that your claim is being denied. In that case the pharmacist will provide you with the print notice.

## **HEALTH AND DENTAL COST REVIEW COMMITTEE**

The committee created by Sears on March 27, 1997, consisting of SRG approved members and Sears management representatives, continues to meet semi-annually to this day. Its mandate is “to research and recommend changes to the retirees’ health and dental plans that could provide methods of reducing costs without reductions in the benefits”.

The most recent meeting of the committee was held on December 10, 2010 at which time there were 12,043 recipients of health and dental benefits, made up of retirees with no dependants, those with spousal or family dependants, and spousal or family dependant survivors. Total claims paid in 2010 (annualized) amounted to \$12,634,712., a minimal increase over the previous year. This amounts to \$1,049 per covered individual.

We can be confident that the cost of benefits will decline going forward for a couple of key reasons: the decline in our numbers as age takes its toll, and the discontinuance of benefits for anyone retiring after December 31, 2008. Nevertheless we will continue to work with

Sears as your representatives on the Health and Dental Cost Review Committee to fulfill the mandate as described above.

### **PENSION REFORM UPDATE**

Pension reform by the government is moving ahead albeit very slowly.

The press has been highlighting situations at Nortel and General Motors which brings it to the attention of the public. On the other hand, others are painting pensioners as greedy individuals who are driving up the cost of doing business.

We must continue to express our concerns to all concerned, especially our elected representatives.

#### **Bill C-501 Update**

This bill continues to get attention in the legislature with the Conservatives doing everything they can to get it off the agenda as quickly as possible.

Right now, the supporters of the Bill are trying to revise it to change from super priority status in bankruptcy, to unsecured. This would put pensioners in the same state as other creditors as we have as much right to our money as do creditors. This motion is awaiting presentation in the House. Please contact your MPs to get them to push to get this revision on the table.

#### **Bill 236/120**

These two Bills are waiting on policy writers to prepare the regulations that will govern their administration. This is a slow process and could be delayed by the upcoming election. Through our involvement with CFP (Canadian Federation of Pensioners) we are doing everything we can to draw attention to this important activity.

### **FINANCES**

The cost of producing Update has spiraled in the past few years. Printing, translation, and mailing costs for Update #22 in March 2009 were \$10,950., compared to \$7880. for Update #18 in July 2005.

Added to Update costs are legal fees, expenditures for website and computer list maintenance, and administrative costs . Included with this newsletter is a financial statement dated June 30, 2010 showing a balance of \$ 50,095.

This amount is sufficient to cover current expenses but would fall far short if legal action were required

## **RECEIVING UPDATE ONLINE**

Recognizing that many of our members now have e-mail addresses we are in the process of preparing a list of members who might wish to receive issues of Update online.

If sufficient numbers of people are interested, providing this service will help substantially in reducing mailing costs.

If you personally do not have a computer then maybe a relative or friend can receive it for you. It is usually issued once or twice a year.

You need only e-mail your address to SRG at [info@searsretireegroup.ca](mailto:info@searsretireegroup.ca).

## **SEARS INFORMATION**

Below are two offerings available to all Sears associates and retirees:

### **GoodLife Fitness**

A 15% discount on joining one of the 270 clubs across Canada.

Contact your local Branch for further information. (website – [goodlifefitness.com](http://goodlifefitness.com)).

### **RBC Insurance**

Sears has arranged with RBC for special discounts on car and house insurance.

Quote group code – RCXNNWOO when applying for a quote.

Phone 1-800-769-2529 or visit an RBC Insurance Branch.

Ask for a quote online – “[rbcinsurance.com/quote/sears canada](http://rbcinsurance.com/quote/sears%20canada)” and you will get an additional 5% discount.

## **SRG MEMBERSHIP**

There are over 12,000 Sears pensioners or their dependant survivors receiving pensions of whom we represent only 7200, so there is plenty of opportunity for increasing members.

If you know of any recently retired pensioners, or pensioners who retired earlier who are not members of SRG, we ask you to familiarize them with the history of SRG (available on our website) and provide them with a copy of our membership form that is enclosed. The more members we have, the stronger our voice will be.

SEARS RETIREE GROUP  
 STATEMENT of RECEIPTS and EXPENDITURES  
 for YEAR ending June 30, 2010

	YEAR ENDING June30,2010	SINCE INCEPTION of S.R.G
<b>RECEIPTS</b>		
Contributions from members	\$18,855	\$269,632
Interest on ING Account	\$439	\$18,011
 Total Receipts	 \$19,294	 \$287,643
<b>EXPENDITURES</b>		
Mailing of News Letters to members	\$10,950	\$158,277
Legal Fees	\$642	\$47,719
Computer List and Website	\$535	\$13,561
Administration expenses	\$578	\$16,455
Contribution to Social Clubs	0	\$1,536
 Total Expenditures	 \$12,705	 \$237,548
 Excess of Receipts over Disbursements	 \$6,589	 \$50,095
 The balance on hand at June 30,2010 of \$50,0956 is represented by:		
ING Bank account of		\$47,371
C.I.B.C Bank account of		\$2,723
Petty Cash		1
 Total		 \$50,095

The Statement of Receipts and Expenditures up to June 30, 2010 has been prepared from records supplied by the Treasurer and approved by the Board on Sept 14, 2010.