

TEAM Pay and Benefits Committee Report

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Health and Insurance Plans

- **JBC Meeting:** A meeting of the JBC was held on September 2, 2011, and a report was provided to the Board at the October 12th Board meeting. The next meeting will be in early 2012.

- **Blue Cross Health Plan**

Missing \$400K Surplus (see previous two reports or TEAM Times for background)

A meeting with Blue Cross was held September 27th. In attendance were representatives from the Company, TEAM, IBEW, CEP and the JBC consultant.

The problem and background was captured and put to Blue Cross. A number of documents were exchanged. As per our previous reports, Blue Cross did not provide anything definitive that supported their position that the surplus belonged to them, whereas the documentation our consultant provided bolstered our position.

The meeting ended with Blue Cross committing to review the information and get back to us. We expect to have their response in December.

MTS DB Pension Plan

- **Pension Committee Meeting**

- Committee meetings were held on June 21 and November 18, 2011.
- The next Committee meeting will be around May/June 2012.

- **Pension Surplus Lawsuit (1998)**

- Appeal Status: Its one year since the close of the Appeal hearing (December 13th–15th, 2010), and as decisions on cases of this complexity are known to take up to a year, we expect a decision very soon. We do know that the decision will be available to the lawyers on a Friday so that preparations can be made for when it becomes public knowledge the following Monday.

- **Pension Formula Lawsuit (2011)**

- The issue is whether the formula used in calculating pension payments is in compliance with the plan text and pension law principles in general. In May 2011 a Statement of Claim was filed in the Court of Queens Bench against MTS Allstream Inc. and The Civil Service Superannuation Board (CSSB) by a retired TEAM member.
- On September 21st the Company and the CSSB filed a joint Statement of Defence, denying the allegations and any relief. The blanket denial simply placed the burden of proof on the plaintiff and did not challenge the allegations specifically, other than

their claim that MTS Allstream was not at any time the Administrator of the Pension Plan, this despite MTS' position to the contrary in the Pension Surplus lawsuit.

- To simplify matters in court, the Statement of Claim is in the process of being amended, adding Manitoba Telecom Services Inc. to the list of defendants.
- We recently learned that on June 16th, 2011 the CSSB amended their pension plan text to provide for a more equitable pension benefit. The text for the MTS Pension Plan doesn't need amending; MTS, having already recognized the inequity, just needs to apply it fairly as the CSSB has chosen to do voluntarily.

MTS DC Pension Plan

- **Pension Committee Meeting**

- Committee meetings were held on June 21 and November 18, 2011.
- The next Committee meeting will be around May/June 2012.