Steven
Sarah

RECEIVED JAN 25 1988

THE LAW SOCIETY OF UPPER CANADA
THE ONTARIO LEGAL AID PLAN
OFFICE OF THE DIRECTOR

TELEPHONE
979-1446

SUITE 200
481 UNIVERSITY AVENUE
TORONTO M5G 2G1

January 20, 1988

To: The Chairperson of the Board of
Directors/Dean of the Faculty of Law

Re: Group RRSP

I am pleased to confirm that the Clinic Funding Committee has approved the appointment of Mutual Life of Canada as the carrier for the Group Registered Retirement Savings Plan to be funded by the Committee, as recommended by the Pensions Consultation Committee. The Clinic Funding Committee has approved a contribution rate of 5.5% of gross salary for 1987/88 and 1988/89 for retirement benefits. The Clinic Funding Committee has authorized immediate implementation so that a contribution can be made on behalf of the staff of participating clinics before February 29, 1988 (the RRSP cut-off date for 1987 tax deductions).

To meet this deadline, some quick decisions by your Board and staff will be necessary:

1. Each Board must decide whether or not its staff will participate in the Group RRSP established by the Clinic Funding Committee. (The alternative is to establish a local retirement benefits scheme for your clinic, and receive funds from the CFC for it.) Deadline - February 15, 1988.

2. In participating clinics, each staff member must complete an enrollment card, and make certain investment decisions. Deadline - February 15, 1988.

3. All clinics must submit the following information for each staff: full name, social insurance number, gross earings April 1 to December 31, 1987. Deadline - February 15, 1988.

   Neither the Clinic Funding Committee nor the clinic funding staff can take any responsibility for contributions on behalf of your staff being made by February 29 unless all of the necessary information is received by this office by the deadline of February 15, 1988.

The enclosed material is intended to provide your Board and staff with the information needed to make these decisions. There is a package for the Board members, and forms to complete. There is a package for the benefits contact person, with a form to complete. There is another package for staff members, which includes information on the Group RRSP, prepared by Mutual Life, Enrollment Cards, and Election Forms. Your cooperation in seeing that this material is distributed quickly is appreciated.

I regret that the time-line is so short, and thank you for your cooperation in completing this process quickly so that staff may enjoy the maximum benefit possible.

Board/Dean Decision re. Participation

Complete information is enclosed on the Group RRSP being offered by the Clinic Funding Committee through Mutual Life of Canada.

Your Board (or the Dean) may decide to participate or may receive funds, in exactly the same amount, in place of participation in exactly the same amount. The Board/Dean's decision applies to all OLAP-funded staff of the clinic; it is not possible to enroll some staff but not others from the same clinic (except non-OLAP-funded staff).

Non-OLAP-funded staff in participating clinics may enroll. Contributions from either your employer or your own voluntary contributions may be made through the clinic as "Additional Voluntary Contributions".

A clinic's decision on participation may be changed on 30 days' written notice to the Clinic Funding Manager.

Given the short time-line for the first contribution, I recommend that all clinics which do not have a retirement benefits scheme already established authorize the first contribution for the period April to December 31, 1987 to the CFC-sponsored plan, and take more time to consider future options after that.

The Board/Dean's decision to participate also includes authorization for the clinic to process Additional Voluntary Contributions by staff.

Duties of Benefits Contact/Bookkeeper

a. Maintain clinic records on enrollment, designated beneficiaries, investment elections of staff.

b. Assist staff re. information on plan and administration on retirement, terminations, change of investment elections.

c. Maintain records for additional voluntary contributions, and submit monthly form and clinic cheque to Mutual Life for such additional voluntary contributions.

d. Submit information to clinic funding on changes on enrollment, beneficiaries.

e. Liase with Mutual Life and clinic funding.

If the Clinic Decides Not to Participate

The clinic may apply for the allocation of funds directly to the clinic, in place of the contribution to the CFC plan. Funds will be paid directly to the clinic, subject to the condition that they be used for retirement benefits purposes. (An individual or Group RRSP, or a registered pension plan qualifies; cash payments to staff do not.)

The clinic must submit the same salary information as participating clinics, to clinic funding, on a quarterly basis. Funds will be paid to the clinic within 30 days of receipt of the information. The amount of the allocation will the same too: 5.5% of gross salaries paid to permanent staff.

Past Years of Service

At this point, the Committee has not approved any contributions to recognize past years of service. The Pensions Consultation Committee will continue to consider this matter and may make recommendations to the Clinic Funding Committee on this subject within the next several months.

I am delighted that we are now able to provide funding for retirement benefits, and that a suitable plan is being implemented. I would like to thank the members of the Pensions Consultation Committee who worked long and hard to master this complex area, in order to develop the best possible plan for clinic staff. The members of that Committee are: Beverly Chalaturnyk (Flemingdon), Kenn Hale (South Etobicoke), Italica Battiston (Rexdale), Brian Garlough (Renfrew), Ted McNabb (West End) and Rose Voyvodic (LAW).

Thank you for your cooperation in all of this. Please feel free to contact me if, after examining the enclosed materials, you or your staff have further questions.

Yours truly,

Ross Irwin

Ross Irwin,
Clinic Funding Manager,
The Ontario Legal Aid Plan.

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To: The Boards/Deans and Staff of
Community Legal Clinics

Re: General Information on Group RRSP's and the Selection of Mutual Life

The Pensions Consultation Committee worked with the Clinic Funding Manager and Mr. Paul Donkersley, our Benefits Consultant, to investigate all pension options. After six months of study and analysis, we all agreed that a Group RRSP seemed to be the most attractive vehicle by which the Clinic Funding Committee could fund retirement benefits for the staff of clinics and sponsor a central plan.

The Group RRSP is just like an individual RRSP, except that the size of the group allows for an elimination of most normal administrative charges and a higher rate of interest on guaranteed investments.

The advantages of a Group RRSP over other vehicles include:

* maximum flexibility for staff who leave clinic employment (mobility);
* maximizes tax advantages for staff making additional voluntary contributions;
* contributions belong to staff (vest) immediately;
* minimizes administrative cost and the involvement of OLAP;
* provides excellent investment returns for staff.

The decision to select Mutual Life of Canada as the carrier was made after an exhaustive market survey involving 20 insurance and trust companies.

The factors we looked at included:

* comparative rates of return on investments
* investment options available
* administrative costs and investment charges
* service and administrative capabilities

The Pensions Consulation Committee, Mr. Donkersley and I all agreed that Mutual Life was, overall, the best carrier for the clinic group. Mutual Life is a large insurance company (assets: $8 billion) which currently has $4.4 billion in pension funds under its management. They have an excellent investment record in both the Diversified Fund (mixed stocks, bonds and mortgages) and on their guaranteed interest accounts (similar to GIC's).

(The stock market crash in October made it difficult to make sense of 1987 investment return information - the companies doing "best" before the crash lost the most in it; the companies with lower rates of return for 1987 often were the companies which got out of the market before the crash, and therefore suffered relatively fewer losses. We relied more heavily on longer term comparative rates of return, e.g. the last 2 years, 3 years, 5 years, etc.)

Mutual Life appears to have the administrative capability to provide excellent service to clinic staff. They are set up to deal with numerous locations, and will provide individual reports to staff twice a year. The sample reports we have reviewed are clear and understandable.

There are no administrative charges for additional voluntary contributions, nor for terminations, changes in investment elections, or on retirement or death.

The members of the Pensions Consultation Committee join me in recommending the Group RRSP being offered through Mutual Life of Canada.

Ross Irwin,
Clinic Funding Manager,
The Ontario Legal Aid Plan.

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January 20, 1988

To: Multi-Funded Clinics

Re: Participation of Non-OLAP-Funded Staff In CFC Group RRSP

If your clinic decides to participate in the CFC-sponsored Group RRSP, your non-OLAP-funded staff may (but need not) also contribute to the plan. Contributions to the Group RRSP for these employees may be made by the employer or by the employee, or both. All contributions by, or on behalf of, non-OLAP-funded employees will be treated as "Additional Voluntary Contributions" for payment, administrative and reporting purposes. (Please see other material on "Additional Voluntary Contributions" for the procedures to be followed.)

Yours truly,

Ross Irwin,
Clinic Funding Manager,
The Ontario Legal Aid Plan.

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January 20, 1988

To: The Benefits Contact Person

Re: Group RRSP - Enrollment Process

Please distribute one copy of the attached to each OLAP-funded staff member at your clinic (and to any non-OLAP-funded staff who may wish to join the Group RRSP).

If your clinic decides to participate, please have each staff member fill out the enclosed enrollment card and sign it (see instruction sheet). Please check each card to ensure that it has been filled out properly. Completed cards should be returned to you by staff no later than February 12, and must be sent by you to clinic funding, and received by us, no later than February 15, 1988.

Each staff member in the Group RRSP must also fill out an Election Form, which must accompany the Enrollment Card. Please paperclip the form and card together.

You should maintain a file with copies of all enrollment materials submitted to clinic funding or Mutual Life for each staff member.

Mutual Life will be providing an Administration Manual to you as soon as possible.

Thank you for your assistance in completing the enrollment process so quickly.

Yours truly,

Ross

Ross Irwin,
Clinic Funding Manager,
The Ontario Legal Aid Plan.

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January 20, 1988

To: The Benefits Contact Person

From: Ross Irwin, Clinic Funding Manager

Re: Procedures for Additional Voluntary Contributions (AVC's)

(These procedures also apply to all contributions made by, or on behalf of, non-OLAP-funded staff in participating clinics.)

1. Members (enrolled staff) may make additional voluntary contributions, either through regular deductions from their pay cheques, or by periodic lump sums.

2. AVCs must be forwarded to Mutual Life by the clinic, through a monthly clinic cheque dated the last day of the month, and the clinic must submit a completed Summary of Contributions form (supplied by Mutual Life) which identifies the individual contributions included in the clinic cheque.

3. Payroll deductions must be authorized by the staff member (on the bottom of the Election Form).

4. AVCs, other than through payroll deductions, should be by the staff member giving a cheque payable to the clinic and dated the last day of the month; the clinic then writes one cheque payable to Mutual Life, dated the last day of the month, which includes all AVCs for that month, i.e. from payroll deductions, staff contributions, and non-OLAP-funded staff contributions from any source (if any).

5. AVCs are invested by Mutual Life in accordance with the one Election Form filed by each member.

6. Members' AVCs are shown separately from OLAP contributions on the semi-annual members' reports provided by Mutual Life, to allow verification by each clinic that the amounts forwarded to Mutual Life have been credited to each member's account in the right amount.

ONTARIO LEGAL AID PLAN

SUBMIT THIS FORM TO CLINIC FUNDING BY FEBRUARY 15, 1988

Clinic ____

I confirm that the Board of Directors/Dean of the clinic has decided to participate in the Clinic Funding Committee's Group RRSP with Mutual Life of Canada. I understand that contributions, at the rate of 5.5% of gross salary for the period April 1 to December 31, 1987, will be made to the Group RRSP on behalf of OLAP-funded staff of the clinic, and on a quarterly basis thereafter.

____
Chairperson/Dean

OR

I confirm that the Board of Directors/Dean of the clinic has decided not to participate in the Clinic Funding Committee's Group RRSP with Mutual Life of Canada. I hereby apply for the allocation of funds to the clinic in lieu of such participation and understand that the use of such funds by the clinic is restricted to retirement benefits purposes only.

____
Chairperson/Dean

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TORONTO M5G 2G1

January 22, 1988

Mr. Doug Edward,
Chairman,
Board of Directors,
Canadian Environmental Law Association,
243 Queen Street W.,
4th Floor,
Toronto, Ontario, M5V 1Z4.

Dear Mr. Edward:

Re: Supplementary Funding 1988/89

I am writing to confirm information provided by telephone to Steven Shrybman, concerning the allocation of supplementary funds to your clinic to allow it to retain the services of your former articling student for the period April 1, 1988 to March 31, 1989.

I am confirming that the clinic funding staff will allocate supplementary funds for this position in 1988/89, in accordance with the normal personnel funding formula. This funding is subject to the clinic funding staff's decision on your anticipated application for an additional lawyer position in 1988/89. Should that application be successful, it is understood that it will not be in addition to the position referred to above.

The clinic funding staff has agreed to this exceptional arrangement taking into account the strong possibility that your application for an additional lawyer will be successful in 1988/89; and because we understand your Board's desire to hire your former articling student who provided such excellent service to the clinic. We understand that, without some assurance that the position will last at least one year, it would not be reasonable to expect him to wait until the additional staff decision is made. We hope that this arrangement will accommodate your clinic's needs and still protect the integrity of the additional staff process.

Trusting you will find this satisfactory, I am,

Yours truly,

Ross Irwin,
Clinic Funding Manager,
The Ontario Legal Aid Plan.

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