



BC GOVERNMENT AND SERVICE EMPLOYEES' UNION

bcgeu

pension plan

NEWS

A Newsletter for Members of the BCGEU Pension Plan

June 2008

BCGEU Pension Plan Board of Trustees

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The BCGEU Pension Plan Board of Trustees is pleased to report results to April 30, 2008.

Please let us know if there are topics you would like to see included in future issues of the Pension Plan newsletter. You may mail, fax or e-mail your request to the Pension Plan administrator. The contact information is noted below.

Investment Commentary

Since the last report that you received with your annual benefit statement in March, the market has continued to experience unsettling volatility. The problems in the "sub-prime" market continue to shake the investment world. Record high oil prices also contribute to this volatility. In the month of May the Canadian market (S&P/TSX) rallied to new highs but is marked by considerable day to day fluctuations. US markets are still plagued by their "mortgage crisis" and the effects of an apparent recession. As a result, the Plan has seen a change in direction such that after a number of months of losses, the more positive aspects of gains have re-emerged.

Pension Plan Performance

At April 30, 2008, the annual return for the Plan was - 2.99%. The April 30, 2008 unit value is 470.09. To illustrate the return you have earned in the Plan, you may find it interesting that the unit value at commencement of the Plan in March 1989 was 100. The year to date return to April 30, 2008 is 0.35%.

Following are the one, three, five, ten and fifteen year annualized rates of return at April 30, 2008.

Average Annualized Rate of Return (%)

| 1 Year | 3 Year | 5 Year | 10 Year | 15 Year |
|--------|--------|--------|---------|---------|
| -2.99% | 7.09% | 9.30% | 5.65% | 8.66% |

Plan Assets at April 30, 2008

Main Fund

The assets of the Main Pension Fund as at April 30, 2008 were approximately \$136.3 million and are comprised of the following asset classes:

| | |
|---------------------------|----------------|
| Cash & Short Term Notes: | 4.55% |
| Bonds and Mortgages: | 24.71% |
| Canadian Equities: | 25.05% |
| Real Estate: | 10.36% |
| Global Equities: | 35.33% |
| Total Investments: | 100.00% |

Immunization Fund

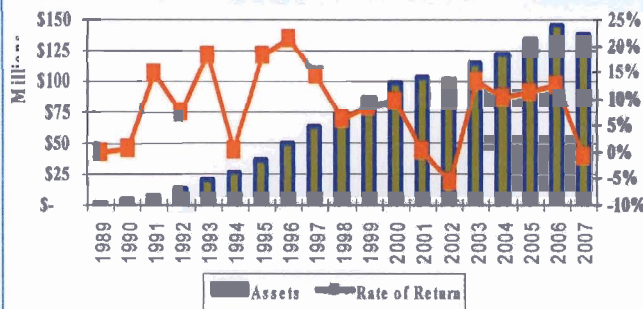
The rate of return for the Immunization Fund was 4.67% for the 12-month period ending April 30, 2008 with total assets of \$2.5 million. The Immunization Fund is comprised solely of short-term notes.

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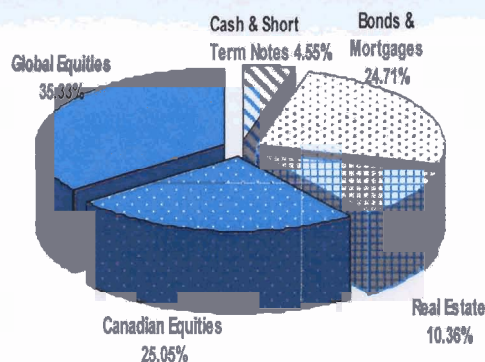
The BCGEU Pension Plan is sponsored and controlled by members of the B.C. Government and Service Employees' Union. It is a fully trusteeed plan, providing secure retirement benefits for participants. If you have any questions about the plan, contact your steward or BCGEU Area Office.

Growth (Main Fund) as at December 31, 2007



This table gives a graphic depiction of asset growth (the bars) and the investment returns (the line) since the Plan came into force in 1989.

Main Fund Asset Distribution at April 30, 2008



New Employer

The Plan would like to welcome members from highways service area 17 (Williams Lake and area). These members joined the BCGEU in 2006 and recently concluded their first collective agreement. The area maintenance contract is held by Interior Roads Ltd., who also has the neighbouring contract in 100 Mile House and whose employees are also members of the Plan.

Mandatory Retirement

Effective January 1, 2008, the BC Human Rights Act makes mandatory retirement contrary to the Act, except in a number of limited circumstances. The legislation was passed last year and the Union and employers have been aware of its impending implementation and implications. An important point to note is that from a pension perspective, the federal Income Tax Act prevails with respect to the latest possible point at which someone must commence their pension, and that is the end of the year in which an individual turns 71.

Important Reminders:

If you move, **please make sure you provide the Plan Administrator and the Union with your change of address.** If you know anyone that did not receive a statement, ask them to make sure that the Plan Administrator and Union have their current address.

➤ Check that your employer is remitting the correct percentage of employee and employer contributions as prescribed in the Collective Agreement.

➤ If you are retiring this year, you should be aware that annuities purchased through the Plan are purchased on a "net of commission" basis. This results in annuity payments which are higher compared to annuities purchased after Plan funds have been transferred out of the Plan.

➤ For more information about your Plan, please refer to the relevant sections of your pension booklet before contacting the Union or the Plan Administrator.

| | |
|----------------------------|--|
| Plan Administrator: | Aon Consulting |
| Toll Free Fax: | 1-800-818-9858 |
| Toll Free Phone: | 1-800-818-9855 |
| Contact: | Barbara Whitear |
| Direct Line: | 604-443-2564 |
| Email: | barbara.whitear@aon.ca |

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