



CF PERSONNEL

Canadian Forces Personnel Newsletter



'Throughout your career, the file grows'

In the May 28/03 issue of CFPN, we featured the Assistant Deputy Minister (Human Resources – Military)-driven project reviewing and shedding light on every aspect of the management of CF personnel records. Headed by Lieutenant-Colonel Bertrand Tremblay, Directorate of Military Employment Policy (DMEP) 3, the project touches areas of administration and record keeping across DND/CF including the organization's front-line record keepers, CF Support Units.

By Ruthanne Urquhart

CF Support Unit (Ottawa) manages the paperwork on about 5 800 people, "from the Chief of the Defence Staff to the newest Private," says Warrant Officer Bob Hurley, CFSU(O) IC. "From when you first walk into the Recruitment Centre, all your

enrolment documentation and the original Terms of Service you sign, birth certificate, education documents – we have it all. And throughout your career, the file grows. Every time you go on a course, every time you're posted, when you get into trouble or when you do something good – all that documentation goes in your pers file."

The amalgamation of the Finance and Administration trades has added another dynamic to record keeping. Currently, DND/CF uses the Human Resources Management System (HRMS) to electronically manage some of those files, but paper records are still necessary.

The introduction of HRMS has increased the workload. A leave pass, for example, used to be entered into the leave record and put in the drawer. Now, it's entered into the leave record and put in the drawer, and also entered into the database. But the extra steps are good steps, WO Hurley says, because the reporting mechanism is now a lot easier and a lot better.

CF members with 20 years' service have a pers file anywhere from four to six centimetres thick. When a member is loaded on a course, for example, a copy of the loading message goes into his or her pers file. When the member completes the course, the course report goes into the pers file, too, and the now-redundant loading message is disposed of. Only careful ongoing vetting by clerks can keep those paper files from doubling or tripling in size.

Guidance with regard to what can be removed from a member's pers file and disposed of, and when and to where, comes in accordance with the Privacy Act and the Access to Information Act.

"For a while, we weren't getting clear direction with regard to what we could take off, so we haven't taken anything off for a few years," WO Hurley says. "But the policy has recently been clarified, so we're going to start this fall to remove the redundant and no-longer-required papers.

"We don't handle retired personnel; we handle only 'live' files, so we don't have to send files off to the National Archives."

Currently—from July 1998 to the present—paper files go to Directorate Military Careers and Resource Management (DMCARM) where they are scanned into the Personnel Electronic Records Management Information System (PERMIS) and then destroyed. PERMIS is the Protected "B" Total Archival System wherein all documents are stored as non-modifiable images. Paper records from before July 1998 are held by National Archives, as are (and will be) all retired members' pers records.

CF members can obtain informal access to their records at their Support Units, or formal access under the Privacy Act.

"Normally," says Lt(N) Dan Bouchard, CFSU(O)'s Personnel Support Officer, "CF members request informal access to their pers file through their Chain of Command. They can then review the file with their respective supervisor."

Recruits are now being processed electronically under the Prospect Applicant Electronic Records System (PAERS), a sub-system of PERMIS. CF Recruitment Centres are using PAERS, but their electronic records must also be on paper because the necessary software hasn't yet made its way across the department.

Not far down the road, department-wide implementation of PERMIS will allow Support Units and other authorized users to scan and enter documents on-site, virtually eliminating the need for paper records.

"We're looking forward to PERMIS," Lt(N) Bouchard says. "Since we are located in Ottawa, we could be the trial unit. Once PERMIS is instituted, it will ease Resource Management Support Clerk duties by allowing for multitasking without leaving the computer. We won't always need hard copy files to administer our members because the information will be readily available on the database. It's going to be a very good thing."

INFORMATION

Director Accounts Processing, Pay And Pensions (DAPPP) is happy to announce the upcoming availability of on-line pay statements for all CF Regular Force and Class C members.

This initiative is in line with the future vision of DND and National Defence On-Line (NDOL). DAPPP will have the capability of delivering pay statements through the Employee Member Access Application (EMAA) in the fall of 2003. Military pay statements will be accessible via the Defence

Information Network (DIN) and KIOSK workstations.

The implementation of on-line pay statements will allow us to reduce the cost of delivery and provide enhanced services to our members.

DAPPP will provide more detailed information in the upcoming months.

CFLC Awards: The Canadian Forces Liaison Council National Reserve Force Employer Support Awards recognize the contributions of employers who demonstrate their support



of the CF by granting Reservist employees time off for training and operations.

Over the next 12 months, provincial recognition ceremonies will acknowledge the support of the more than 200 employers nominated throughout Canada. The national winners received their awards May 10 in Ottawa.

Visit www.cflc.forces.gc.ca for a list of the national winners and more information about the CFLC.

Officer Gratuity: Officers and Officer Cadets enrolled in the Regular Force on or after June 1 2003 are no longer eligible for the Officer Gratuity. Officers and Officer Cadets enrolled before June 1 2003 will continue to be eligible for this benefit provided they meet the eligibility criteria.

Visit <http://hr3.ottawa-hull.mil.ca/dgcb/cbi/> for more information.

MND introduces amendments to the Canadian Forces Superannuation Act

From the CF Pension Modernization Project Team

Minister of National Defence John McCallum introduced legislation in the House of Commons May 15 amending the Canadian Forces Superannuation Act (CFSA), a major step in updating pension arrangements for CF members.

"These proposed amendments would provide for a modern, effective pension for Canadian Forces members, both Regular and Reserve," says Lieutenant-Colonel Claude Rochette, CF Pension Modernization Project (CFPMP) Director. "The changes would give us the pension arrangements that we need to look after our members and to attract top-notch recruits in the future."

Pension arrangements for CF members have existed since the enactment of the Militia Pension Act in 1901. Over the years, as is the case with all pension plans, the military plan has been continuously updated and changed. The current pension arrangements are set out in the CFSA, which dates from 1960. The CFSA has

been subject to regular improvements over the years, with the most recent changes included in the 1999 public sector pension reform legislation. However, recent pressures on the current and future human resources situation necessitate a broader response if pension arrangements are going to give the support needed to meet staffing challenges.

"It's time for a modern pension plan," LCol Rochette says. "The pension needs and expectations of our members have changed in the last two decades, and our human resources policies must reflect these changes."

The proposed amendments make improvements to pension arrangements for Regular Force members and provide full-time Reservists who serve for extended periods with the same pension coverage as their Reg Force counterparts. As well, the amended legislation would provide a solid foundation for the regulatory changes that will enable a pension plan for the vast majority of Reservists who serve part-time or for short periods of full-time service – the goals and work carried out

earlier by the Reserve Pension Project have been rolled into the CF Pension Modernization Project.

The modernized Act would remove the link between pension entitlements and the Terms of Service under which CF members serve. Instead, the relevant factor would be years of pensionable service, as is the case in other pension plans. Basing pension entitlements on pensionable service means the plan would not present any obstacles to future changes to the Terms of Service or to Reserve Force employment policies.

Underlying principles

Overall pension modernization efforts have been guided largely by principles:

- providing a flexible plan in order to support strategic human resource goals and be adaptable to meet unforeseen changes;
- creating a plan that supports the retention of experienced members and the attraction of new members to enhance the Canadian Forces as an employer of choice;
- providing greater certainty and ease of understanding for members

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The Canadian Forces Personnel Newsletter is a publication of the Assistant Deputy Minister (Human Resources – Military).

Submissions regarding HR-Mil policy and programs are welcomed. Please contact the editor for submission guidelines.

Intranet :
hr.dwan.dnd.ca/cfpn

Internet :
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Recruiter's Corner

Recipe for recruiting success

By Ruthanne Urquhart

Petty Officer, 1st Class Rick Ten Eyck has served 26 years in the CF,



PO 1 Rick Ten Eyck

more than enough time to define the successful Aboriginal Recruiter.

"You have to be bold," he says, "and use some initiative and a bit of innovativeness. And be willing to spend some time on the road."

PO 1 Ten Eyck, a member of the Chippewas of Nawash, from Cape Croker First Nation on Ontario's Bruce Peninsula, received the Defence Aboriginal Advisory Group (DAAG) Merit Award at a March 21 ceremony at NDHQ.

"In recognition for your effective relationship-building with Aboriginal communities in order to conduct on-reserve recruiting," Assistant Deputy Minister (Human Resources – Military) Lieutenant-General Christian Couture read from the citation. "You are commended both professionally and personally for your enthusiasm, dedication and ceaseless efforts in establishing a recruiting presence in

many Northern Aboriginal communities and events. Your work has demonstrated the success of tailoring recruiting approaches within a unique recruiting niche, bringing opportunity to Aboriginal Canadians in your area of recruiting. On behalf of the department, the Defence Aboriginal Advisory Group honours the work you do."

PO 1 Ten Eyck works out of the CF Recruiting Centre in Sudbury. In his role as an Aboriginal Recruiter, he has built and maintained positive relationships with Northern Ontario Aboriginal communities and organizations. He travels to remote communities, representing to Aboriginal families and youth a dynamic, positive and enthusiastic role model, and informing them about the positive benefits of choosing the CF as a career.

"This recruiting business that we're in is very easy," PO 1 Ten Eyck says. "I've been into at least 55 Aboriginal communities, and attended about 28 Pow Wows. The people we are visiting out there are extremely happy to have us come see them in their communities with Career Fairs and information about the generic career opportunities we have in the CF, and certainly with information about the CF Aboriginal Entry Program (CFAEP) we have.

"Whether it's for three weeks or for three years, the skills this program provides are highly transferable skills that can be taken back and used in their communities."

DAAG recognizes and thanks PO 1 Ten Eyck for the investments of time, effort and energy he brings to his work.

Visit www.recrutement.forces.gc.ca for more information about CFAEP.

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- to facilitate their future financial planning;
- introducing improvements consistent with features found in other Canadian pension plans; and
- recognizing the demands of military service.

Proposed amendments

Key changes include:

- Two-year vesting
- Twenty-five year pension
- De-linking pension eligibility from Terms of Service
- Portability of pension credits
- Pension coverage for Reserve Force
- Greater administrative flexibility

The proposed amendments would provide greater flexibility for CF members by allowing breaks in service and transfers between components without adversely affecting pension credits earned. As well, members would be able to know well in advance of retirement or of reaching a particular Terms of Service gate what their pension benefit would be.

Changing needs and expectations are behind the introduction of unreduced pensions for members after they have served at least 25 complete years of paid CF service (regardless of their age). In a recent survey, serving CF members—like other Canadians—indicated an interest in job security for longer periods of time than under current Terms of Service. At the same time, members also expect the pension plan will continue to recognize the lifetime implications of long years as an active member of the CF. This 25-year

pension scheme meets these needs and also provides a balanced way to accommodate both current retention pressures and the continuing requirements for maintaining the core capability of a modern military.

Members who have served for 10 years or more and who are released because their health no longer allows them to carry out their military duties would be entitled to an immediate pension.

Retiring members who are not entitled to receive their pension until age 60 would be able to choose to receive their pension at any time between ages 50 and 60. In such cases, there would be a reduction in the monthly amount to take into account the fact that the pension would be paid over a longer period.

Members who qualify for deferred pensions when they leave the CF would, in specified circumstances, be able to transfer the actuarial value of their pension into another prescribed retirement savings vehicle.

These provisions, along with the lower vesting period (i.e., the minimum period required to qualify for a pension-type benefit) of two years and the greater portability of pension credits to other pension plans (authorized under earlier pension reform legislation) would give members more control and choice over their career paths and their financial and retirement planning.

Providing appropriate pension coverage for Reserve Force members is another important element of the overall pension modernization effort. As a result of the 1999 pension reform, regulations are being developed that would implement pension arrangements for the vast majority of Reservists who serve part-time or for limited periods of full-time service. These pension arrangements, however,



are not suitable for Reservists who serve on a full-time basis for extended periods of time.

The amended legislation would also remove the requirement for a qualifying surviving child (between the ages of 18 and 25) of a deceased member to be in continuous full-time studies in order to receive a child's benefit. The new provision would permit interruptions, and re-instate the benefit when the child returns to full-time studies (provided the child is still under age 25). The Bill also proposes to improve access to survivor pensions by having them payable on the death of a member who had at least two, rather than five, years of service.

Serving members in specified cases would also be able to choose to have their benefits determined under existing rules rather than under the new rules.

"No one will be disadvantaged by the proposed amendments," says LCol Rochette. Regulations would include details regarding how and where these benefits would be protected. (See **How will I be affected?**)

As well as proposing changes in the benefit structure, the Bill also makes some modernization changes in the administration of the plan. There will be regulations to deal with the cashing out of small pensions, for example, and more flexibility to provide relief when a member fails to make a decision because of erroneous advice from the administration.

The proposed amendments would provide greater flexibility for CF members by allowing breaks in service and transfers between components without adversely affecting pension credits earned.

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Amending the **Canadian Forces Superannuation Act** is a complex business. You may have questions about the amendments in general, and how they will affect you personally.

Visit www.forces.gc.ca/newsroom or www.forces.gc.ca/dgcb/dpsp/engraph/modernization_e.asp for general information about the introduction of the amendments. Visit http://hr3.ottawa-hull.mil.ca/dgcb/dpsp/engraph/modernization_e.asp for more detailed information and multiple FAQs.

If the Bill receives Royal Assent, the CF Pension Modernization Project will continue to make detailed information available to you about the nature of the changes and how they will be affected, in anticipation of implementation in Fiscal Year 2005/06.

Finally, persons who are dissatisfied with decisions with respect to their entitlement under the Act will have the right to ask the Minister to reconsider the decision. The Minister would be obliged to provide a written report of the results of the reconsideration.

Timeline

If the Bill receives Royal Assent, it will take some time to put the changes into effect because of the range of activities that need to be carried out.

It is important to remember that the changes to the pension arrangements are still in a proposal stage. First, Parliament must approve the amendments. Then, the supporting

regulations have to be developed and approved by Treasury Board, and the necessary administrative systems designed. Only then will a coming-into-force date be formally established.

"Of course, we would also make sure that we communicate all the changes to our membership in detail," LCol Rochette says. Members would be informed as to how the plan would be changing and, in cases where choices are to be made, informed about the implications of those choices. This would include details regarding how and when existing benefits would be protected.

"We will move as quickly as possible," he says, "but, realistically, it

will take a number of months to put all the pieces in place."

Assuming this Bill receives Parliamentary approval, implementation of the new pension arrangements for both Regular and Reserve Force members is projected for Fiscal Year 2005/06.

Persons who are dissatisfied with decisions with respect to their entitlement under the Act will have the right to ask the Minister to reconsider the decision.

How will I be affected?

It is important to remember that:

- > The changes to the Canadian Forces Superannuation Act (CFSA) are still in the proposal stage. Parliament must approve the amendments, the supporting regulations have to be developed and approved by Treasury Board, and the coming-into-force date formally established. The examples below have been developed on the assumption that the changes will in fact be approved, but the date those changes will come into effect is not predicted.
- > Regulations will be made to deal with a number of critical items, including the terms of the new Reserve Force pension plan (providing long-term Reservists with the same pension coverage as members of the Regular Force) and the benefit options for members serving on the day the new benefit scheme comes into effect. Considerable work has been done on what will be contained in these future regulations, and some key principles have been established. However, approval of the

regulations cannot happen until some future date, and will take place after the necessary discussion and consultation.

That being said, we have constructed the following scenarios illustrating how the pension modernization legislation would affect serving CF members when the changes come into force.

The scenarios are based on the eventual approval of the key principles mentioned above. They are based on normal release situations, and do not take into account the possibility of any of disability, economy or efficiency releases.

Scenario 1: Sergeant Fletcher, a member of the Reserve Force, has served in the CF for 25 years when the pension changes come into force. During his first 10 years of service, Sgt Fletcher accumulated a total of five years of actual time; for the next 15 years he has worked on a full-time basis.

Under the modernization proposals, Sgt. Fletcher would become a member of the "full-time plan" when the changes come into

force. He would pay the same contributions and on release would be eligible for the same benefits under the same terms and conditions as a Regular Force member.

Scenario 2: Captain Tremblay is 34 when the changes come into force. He has a total of 16 years of service in the CF, and is serving in the Regular Force on an IE 20 that he will complete in 2007.

Under the current Act, Capt Tremblay is eligible for an immediate unreduced pension if he takes his release upon completion of his IE (20 years continuous service) in 2007.

Under the proposed rules, he would be entitled to a deferred annuity payable at age 60, a reduced annuity payable any time after reaching age 50, or a "transfer value". A transfer value is the amount that equals the capitalized value of a member's pension credits, which can be transferred at the member's direction to another employer's pension plan, to a registered retirement savings plan, or used to purchase an annuity. Capt Tremblay would also have the option of choosing the benefit payable under the "old rules", namely, an immediate unreduced pension equal to 40% of best five-year average salary.

Scenario 3: Chief Petty Officer, 1st Class Smith, 39, is serving in the Regular Force on an IE 20. She decides, after completing 18 years of service, to retire from the CF.

Under the current Act, CPO 1 Smith is entitled, at her option, to receive either a return of contributions, plus interest, or a deferred annuity, payable at age 60.

Under the proposed rules, CPO 1 Smith would be entitled at her option to a deferred annuity payable at age

60, an annuity payable between ages 50 and 60 with a reduction to take into account the fact that the pension would be paid over a longer period of time, or a transfer value (as explained in Scenario Two).

Scenario 4: Corporal Green, 25, is serving on a second BE as part of his initial engagement with the Regular Force. Cpl Green decides to retire on completion of the second BE (i.e., after having served in the CF for six years).

Under the current Act, Cpl Green is not "vested", and is therefore entitled only to a return of contributions, with interest.

Under the proposed rules, Cpl Green would be entitled at his option to receive either a deferred annuity payable at age 60, a reduced annuity payable between ages 50 and 60 or a transfer value (as explained in Scenario Two).

Scenario 5: Major Morneault, 46, is serving on an IPS, having already completed an IE 20. He decides to leave the Forces in 2007 after having completed 26 years of service with the Regular Force.

Under the current provisions of the CFSA, Maj Morneault is entitled to an immediate reduced pension. There would be a 5% penalty for every year of age Major Morneault is younger than the retirement age that applies to him – 10% in this case.

Under the proposed rules, and assuming that the changes come into force in 2005, Maj Morneault would be entitled to an immediate unreduced pension because he would have completed more than 25 years of CF service.

