

FYI-For Your Information!

Subject: BCE Financial Conference - Items of interest for Bell Pensioners/Employees

Date: Wed, 1 Feb 2006 11:32:49 -0500

From: Bell Pensioner's Group - Toronto Chapter <jimmccoll@bellpensionersgroup.ca>

Greetings - The following analysis and update was provided by our PIC rep Jim Murray, following Bell's Financial Conference this morning.

Fortunately since we have your email address, we are able to share this information with you, however, unfortunately many of your friends and former colleagues may not be Members and so we could not inform them. I would like to ask you to pass along this message to your Colleagues who do not belong to BPG.

As you know, we have undertaken a very important initiative this year. In getting our archaic Pension Laws reformed. We are actively and successfully seeking alliances with other large Pensioner Groups and communicating with various Government Representatives and Committees. In addition we continue to support individual Pensioners with resolving a myriad of problems and maintain an ongoing dialogue with Bell and formally meeting with them on a regular basis

Please forward this notice to any of your Bell Pension friends who have not yet joined BPG and direct them to the following Internet link: <http://www.bellpensionersgroup.ca/bpg/#Board%20of%20Directors> where they can get more information and an application form

(source: CFO's presentation)

Estimated solvency valuation as of December 31, 2005 = \$1 billion deficit

Due to: new valuation standards + decrease in discount rate Company will provide \$300M in new funding to pension plan in 2006 # Company is "Continuing dialogue with government on policy reform" *

No plans announced for funding beyond 2006. N.B. A minimum 3 year funding plan will have to be provided to OSFI when the Pension Plan Actuarial review as of December 31, 2005 is filed this year and should be included in the 2006 PIC report to Employees and Pensioners.

* Current government regulations require that deficits be corrected within five years. Bell wants this time period increased to 10 years. It is also complaining that the discount rate should be based on different criteria. These issues were addressed in the Bell response to the May 2005 Finance Canada Pension Plan consultation paper.

The fact that the Pension Plan has fallen into a deficit position was anticipated in the 2005 PIC report but the size of the deficit will come as a shock to many Plan Members and Pensioners. On the plus side is Bell's commitment to pump \$300M of new funding into the plan in 2006.

Force Losses: There are no indications as to where the cuts will be made to the employee forces. An incentive program to encourage voluntary early retirement could have a negative impact on the financial status of the pension plan.

Rural Lines Income Trust: This will be managed by Bell which suggests that there should be no impact on the Bell pension plans in terms of members transferring out.