

Q&A for Class Members of the British Columbia Public Service Benefits Class Action

Updated January 9, 2008

GENERAL INFORMATION

What is going on?

This is a Class Action lawsuit that has been started on behalf of 27,000 members of the Public Service Pension Plan who retired or terminated employment with the right to the Retiree Benefits on or before November 30, 2002.

Upon retirement, members of this Plan received Medical Service Plan and Extended Health Plan coverage on a premium free basis as promised to them during the course of their employment. These benefits were taken away from retirees by the Government in 2003, a change that has resulted in a significant increase in monthly cost to retirees.

This Class Action was launched in August 2004 against the Government of British Columbia on behalf of retired British Columbia Public Servants. The lawsuit claims that the Government breached the duty it owed to class members and breached its employment contract with its former employees by requiring the retirees to pay for these benefits.

Why has this action taken so long?

The Class Action was in the process of being certified, a process that amounts to getting permission from the court to prosecute the claim as a class action, and to appoint a representative plaintiff for the class.

The Government appealed the original certification order in 2005 to the Court of Appeal for British Columbia and the Supreme Court of Canada, but was not successful. This certification process was completed in June, 2007.

Why am I being contacted?

You are being contacted because you are a member of the Public Service Pension Plan, and you retired on or before November 30, 2002 and have a right to receive premium free Medical Service Plan and Extended Health Plan coverage upon retirement.

What are the damages being sought?

We are seeking:

- Repayment of the Medical Service Plan premiums and Extended Health Benefits deductibles that you have paid with interest and damages for future losses.
- In addition, the proceeding claims punitive damages of \$5,000.00 per retiree. The lawsuit seeks damages for lost benefits and the restoration of certain post retirement health benefits, premiums improperly paid and full restoration of the benefits promised.

Will it cost me any money in legal fees? How do the lawyers get paid?

No, you will not have to pay legal fees to fund this action. The lawyers are paid on a contingency basis. This means that if we are successful, the lawyers will be paid a percentage of the amount recovered for the class. Any legal fees must be approved by the Court. If we are not successful the lawyers do not get paid.

Pursuant to the British Columbia Class Proceedings Act, the representative plaintiff will not be responsible for the legal costs of the Province in the event that the case is not successful.

ELIGIBILITY

Am I included in the Class? / Why am I included?

If you received a Notice in the mail, and:

- You were a member of the Public Service Pension Plan
- You retired on or before November 30, 2002, and
- You were entitled to receive Medical Service Plan and Extended Health Plan coverage on a premium free basis.

How do I know if I was entitled to receive these premium free health benefits?

You were entitled to receive these benefits if you were a member of the Public Service Pension Plan and completed ten years of pensionable service.

PLAINTIFFS

Who started this lawsuit against the B.C. Government on my behalf?

The lawsuit was commenced by the British Columbia Government Retired Employees Association. The “representative plaintiff” for this class action is Frederick Bennett, a retired member of the Public Service Pension Plan and the Provincial 1st Vice President of the British Columbia Government Retired Employees Association.

What is a “representative plaintiff”?

A representative plaintiff is someone who agrees to act on behalf of a class in a class action, and is formally designated by the court at the outset of the proceeding. The representative plaintiff represents the interest of the class, and works with the lawyers for the class to ensure that the interests of all the class members are protected.

ACTIONS THAT CAN BE TAKEN BY THE CLASS MEMBERS

Class Members can choose to either stay in the class or can choose to opt out of the class proceeding.

What happens if I decide to stay in the class?

As a class member, you do not need to do anything to participate in an ongoing class action. You are deemed to be part of the lawsuit unless you opt-out, and will benefit in the event that it is successful.

What are the consequences of Opting Out?

In our view, there is little benefit to you opting out. However, if you decide to “Opt-Out” of the Class Action, then you will not be bound by the result of the case. This may mean that if we are successful you will not benefit from any favourable judgment or settlement. Also, you will be free to pursue an independent lawsuit against the Government of British Columbia in the future, should you choose to do so before the expiry of the relevant limitation periods. If you are thinking of opting out, we recommend that you obtain independent legal advice before doing so.

TIMING

What is the current status of the action?

The action is currently proceeding at the Supreme Court of British Columbia. We are now entering the phase of the litigation where the representative plaintiff and the Government will produce documents to each other which are relevant to the case, and oral examinations for discovery will be conducted, where each side asks questions of the other in order to fully understand and explore the documents being produced and positions be taken by the other party.

Where can I find more information?

For more information about the B.C. Public Service Pension class action, you can visit our website, at www.koskieminsky.com and click on “Class Actions” under the heading “Client Links” and then click on “BC Public Services Benefits”.

In addition, you can visit the British Columbia Government Retirees Association web site at www.bcgrea.com.

THESE QUESTIONS AND ANSWERS REPRESENT THE ADVICE OF PLAINTIFF’S COUNSEL AND DO NOT FORM PART OF ANY COURT APPROVED NOTICE.