



Seabird Island, B.C.

photo: star nom

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For a free CHR Trust Settlement Information & Registration Booklet, call 1-866-644-2476

Compensation Office Reorganized

The 1st capital payment is being made September 2002. In order to better respond to questions that will arise regarding salary calculations, the Salary Calculators will be answering the phones. This change takes effect August 12, 2002.

Salary Calculators

Trudy Jacobs	Ext 221
Wendy Mayo	Ext 222
Linda Diabo	Ext 223
Joanne Jacobs	Ext 224

The contracts for the Claim Agent Ken Williams, Kim Norton and Brandi Meloche ends on August 9, 2002. The management of the NIICHRO Compensation Office would like to thank Ken, Kim and Brandi for their hard work and their contribution to the compensation process. We wish them well in their next endeavour. ❁

Health Canada's Role

It must be clarified that Tara Bjornson does not work at NIICHRO. Ms. Bjornson works for the First Nations & Inuit Health Branch (FNIHB) of Health Canada in Ottawa, Ontario. The Government of Canada is her employer. Tara Bjornson is the Health Canada liaison for her department. Their role in the CHR Settlement Trust is to process the Health Canada consent forms and forwards the information to NIICHRO.

The NIICHRO Compensation Office is situated in Kahnawake, Quebec. The staff of the Compensation Office is composed of First Nation people. The NIICHRO Compensation Office acts as a liaison between the CHRs and the Government of Canada. CHRs that have questions regarding their claim will have to call the Compensation Office as that is where their claim is processed. ❁



Annual Report

Presented in 2002 AGM Program, Saskatoon, Saskatchewan:

Good Faith Payments

From the interest income earned in 2001, the Trustees approved Good Faith payments to 857 individuals. When combining all the payments issued from the interest income earned in 2000 and 2001, there are a total of 1065 individuals that were approved for compensation as of December 31, 2001. When making the Good Faith payments, there was still a lot of information missing but an application was received and a preliminary review indicated they were eligible for compensation. From the information available, salary calculations were made for the years of the claim that was validated with T4 information.

Taxable Income & T3s

The Good Faith portion of the compensation payment comes from interest income earned by the Trust fund and therefore taxable. A distribution model was developed to divide the 2001 taxable income among the 857 approved for Good Faith payments. This resulted in the maximum amount of taxable income being set at \$2,043.30 for that taxation year.

The Royal Trust issued a T3 slip for tax purposes to everyone who received a payment from interest income. Even those beneficiaries who had not yet signed the release forms received a T3. A T3 slip is issued, as there is a financial commitment from the Trust Fund to make a Good Faith payment. In accordance with the Settlement, only when the release forms are signed and returned to the Compensation Office can a payment be given to a beneficiary.



Trustees : Phil Fontaine, Margaret Horn, Kathleen Mahoney, Rachel Ermineskin and Scott Hamilton

Trusteeship

On January 18, 2002, Phil Fontaine of the Indian Lands Claim Commission accepted the appointment of Trusteeship to the CHR Trust Settlement. At the same meeting, Royal Trust designated Scott Hamilton as their representative. Both Commissioner Fontaine and Mr. Hamilton have accepted to undertake the role as Trustee to administer the fund in trust, employ the resources necessary to identify eligible CHRs, make distributions from the settlement only when supporting documents have been collected, collated and verified, have a distribution model formulated and on the first distribution to a Beneficiary, have the release forms in favour of Her Majesty and in favour of the Trustees and Settlers signed.

Audit of the Trust Account

On January 26, 2001, the Trustees had determined that there was little or no activity in the Trust account in 2000, therefore the audit for the year 2000 would only be done at the time of the 2001 audit. The services of the firm Hatch Wilson, Chartered Accounts were engaged to provide the Trustees with an Auditor's Report for the year 2000 and 2001. The Trustees approved the Auditor's Report on May 3, 2002.

Status of Contacts

By May 1, 2002, twenty-two (22) months after the signing of the Settlement Agreement the Claim Agents of the Compensation Office had contacted 2433 individuals or their estates regarding a claim to the CHR Trust Settlement.

Status of the 2433 contacts as of May 1, 2002:

- 1458 applications are being considered for compensation;
- 672 are potential; and
- 8 are potential/not applying.
- 295 contacts or applications are classified as not eligible;
 - Not employed as a CHR;
 - Not employed under a funding agreement between a First Nation entity and Her Majesty;
 - Employed by the Provincial Government;
 - Employed by The Federal Government;
 - Employed Prior to September 9, 1980; or
 - Employed after June 30, 2000

"Procedures for reconsideration are being developed for claimants that are denied compensation."

Appeal Process

Procedures for reconsideration are being developed for claimants that are denied compensation. This will be known as the Appeal Process. Those who have submitted an application and are classified as not eligible will receive the procedures for the Appeal Process however only valid appeals will be accepted. Once the Trustees have approved the process, CHRs will be informed through the NIICHR Compensation Newsletter.

Assessment Process

Before every payment distribution, a file goes through an assessment process by the Compensation Office. The Claim Agent is the first person to review the application to assure that it is complete. The application and consent forms must be filled in with name, address, employer's name, start and end date of the claim and then signed. For claims made on behalf of an estate, the individual signing the application must submit documentation that they are the legal representative of the estate with a copy of the CHR's death certificate. The CHR or their legal representative is contacted if the application is incomplete. Taking into consideration the expected payment date, a deadline to receive salary information is established. Any information received after that deadline will not be considered in salary calculations for the following payment.

Months prior to a payment, the Salary Calculators begin reviewing the claims and the supporting documents to identify what can be used for salary calculations. The salary calculations are then recorded on an employment history worksheet. The supporting documents are identified as the evidence used to confirm employment as a CHR and provide information on rate/hour and number of hours worked as a CHR. Supporting documents are band letters confirming the applicant was a CHR, payroll, pay stubs, general ledgers of CHR salary, Contribution



Natalie Beauvais: Compensation Presentation at the AGM

Agreements for the CHR Program, T4s and/or T4Es, as well as letters and memos pertaining to the claimants employment as a CHR. From these documents, the employment history is pieced together until every year of the claim has been completed and validated. A completed file means that all the salary information is available and correct, entered into the computer and validated through government sources.

For every year of the claim, the start and end date is identified, full or part-time employment, the number of hour worked, total income earned and rate/ hour as a CHR. The person doing Quality Control reviews the employment history worksheet to assure that the information used for calculation purposes follows the Calculation Guidelines approved by the Trustees. Quality Control also confirms that the figures used for calculating the salary is supported by evidence in the file before giving final approval. Each year of a claim is Quality Controlled individually until the whole file is completely approved by Quality Control.

Once the file is approved by Quality Control, the Data Entry person transfers the information from the employment history worksheet into the computer. The file is again reviewed by Quality Control to confirm that the exact figures are entered into the computer. Every time new information is received, the file goes back to Salary Calculators, to Quality Control, to Data Entry and then to Quality Control again. This continues up until the pre-determined deadline for salary information.

A few weeks after the deadline for salary information, as much of the salary calculations that can be made are completed and entered into the database. The database is sent to the actuary for assessment. Comparison of what the CHR earned to what they should have made is done to determine if they were underpaid and is so, by how much. A list of potential beneficiaries is prepared for the Trustees to review and approve. Prior to presenting the information to the Trustees, the data is run through a series of control mechanisms to assure there are no duplicate requests and that all figures balance.

The Trustees then meet to review and approve the list of potential beneficiaries. The Trustees are consulted on a regular basis regarding salary calculation guidelines and procedures. The Royal Trust is provided a list of approved beneficiaries for them to issue the cheques and sends the cheques to the Compensation Office for distribution. The Royal Trust is responsible for issuing and mailing of the T3.

The Compensation Office prints the letters (and release forms when

applicable) and prepares the mail-out of the letters and cheques. During the next few months, the Compensation Office will receive the releases and sends cheques to those approved a first payment.

Community Allocation

The Compensation payment will be based not only on rate/hour and hours worked as a CHR but more importantly on the person years budgeted in the Contribution Agreement. An eligible CHR worked for income and provided services as a CHR to a First Nation entity between September 9, 1980 and June 30, 2000 pursuant to a funding agreement between the entity and Her Majesty. When there is an excess of claims to person years allocated, there is a re-assessment of all the files for the community in question.

The Compensation Office is conducting a cross-reference of information from the Community Workload Increase System (CWIS) Report and the Contribution Agreements to the claims received per community. When the funding agreement is for a part time (1/2 time) CHR, the Compensation Office can only base compensation on that allocation even if the CHR was employed on a full-time basis. Funding for the balance of a CHR's salary would have come from other sources outside the CHR program funding. The salary that came from outside the CHR program cannot be compensated. In addition, when there is no CHR allocation but an individual has submitted a claim for compensation, they are not eligible for compensation. ❀

CHR Trust Settlement – Financial Statement

Statement of Income and Surplus
For the Periods Ending December 31

Extracted from Auditor's Report prepared by the firm Hatch Wilson, Chartered Accountants.

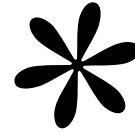
	2000	2001	Total
REVENUE			
Funding	\$ 45,700,000	-	\$ 45,700,000
Investment Income	1,144,923	1,578,422	\$ 2,723,345
	<u>46,844,923</u>	<u>1,578,422</u>	<u>\$ 48,423,345</u>
EXPENDITURES			
Consulting fees	244,606	124,378	368,984
Distributions to CHRs	1,144,923	1,629,183	2,774,106
GST Expense	3873	344,561	348,434
Honoraria and travel	34,388	38,616	73,004
Miscellaneous	-	2,026	2,026
NIICRO expense	334,803	330,622	665,425
Professional fees	4,840,761	2,000	4,842,761
Trustee fees	53,725	104,793	158,518
	<u>6,657,079</u>	<u>2,576,179</u>	<u>\$ 9,233,258</u>
NET INCOME (LOSS) FOR THE YEAR	40,187,844	(997,757)	39,190,087
SURPLUS, BEGINNING OF YEAR	-	40,187,844	
SURPLUS END OF YEAR	<u><u>\$ 40,187,844</u></u>	<u><u>39,190,087</u></u>	

Extracted from Auditor's Report prepared by the firm Hatch Wilson, Chartered Accountants

Note: The Professional fees include expenses incurred since the effective date of the Settlement, as well as legal fees and services while in mediation with the Government of Canada. In order to reach a settlement, services were required by statisticians, actuaries, legal researchers/writers and negotiators on behalf of the CHRs over the three-year period (1997 - 2000).

Compensation Office Presentation AGM 2002

Debbie Dedam-Montour, Administration Officer and Natalie Beauvais, Office Manager made a Compensation Office presentation to the CHRs that were present at NIICHR's 2002 Annual General Meeting in Saskatoon, Saskatchewan. Presented were an historical overview of the 1065 CHRs that received a payment and an outline of what the Compensation Office does. The CHRs were informed about the steps in the Compensation process. The Compensation Office does the following:



- * Review file contents
- * Assess eligibility
- * Call CHRs and Employers to resolve conflicting information
- * Collect salary and other information
- * Calculate CHR earnings
- * Distribute payments

The presentation covered the issue of conflicting information: how it is identified, classified and resolved. In order for the Trustees to be confident in making the next payment distribution, the conflicts in CHR files must be resolved and that requires more time.

The CHRs were shown a sample of the financial statement that they will receive when they receive their payment in September. The CHR Statement will identify the year(s) of the claim, the start and end dates for each year or period of the claim, the employer, the hours worked per week as a CHR, the total hours for each year or period, the total earnings as a CHR. From this information, the average rate per hour is determined and compared to the average rate per hour the CHR should have earned if they were to receive the GS-05 rate (1980-1987) or HS-05 rate (1987 – 2000). The total amount of underpayment will be identified. The CHR will be provided their percentage of the Settlement (shown in eight digit decimal points, ex: .00845512%), the dollar amount of their compensation as well as their payment schedule. A sample of the CHR Statement is provided in this newsletter. ❁



photo: star horn

Children playing
-Seabird Island (B.C.)

Conflicting Information

When there is conflicting information, there will be no compensation for the period in question. What does the Compensation Office consider as conflicting information? The following are the categories and some examples of conflicts between information submitted by the claimant and supporting documents on the following subjects that require clarification otherwise there can be no compensation for the period in question:

A = Hours

- * The applicant claims full-time employment as a CHR but the amount of insurable earning on the T4 suggests part-time employment or a leave of absence.
- * The applicant worked on and off through a particular year but there is no proof of the number of hours worked during that particular year.

B = Position

- * The applicant claims to be a CHR, band letter states CHR but there is a Record of Employment covering the period of the claim that states occupation as Referral Clerk or Counselor.
- * The community is allocated only 1 CHR but there are three (3) claims for that period.

C = Salary

- * The applicant claims full-time employment throughout the year but T4 shows \$4,000 as the insurable earnings.
- * The applicant was part-time CHR, part-time NADAP Worker. Need to determine how many hours a week worked as a CHR and at what rate.

D = Dates

- * The applicant indicates start date as: 1981? Unsure when they started working as a CHR and unable to provide any proof of employment as a CHR for that year.
- * The applicant is claiming 1982 – 1991 but band letter and record of employment indicate 1984 - 1990. The years 1982, 1983 and 1991 will not be considered until further documentation can be provided. ❁



*"A sample of the
CHR Statement
is provided
in this
newsletter."*

1st Capital payment

The Trustees met prior to attending the NIICHR0 Annual General Meeting in Saskatoon, Saskatchewan. Among issues related to the Trust Settlement was the subject of how the CHR are to be compensated i.e. what is the rate that would be used as a comparison. They reviewed documentation pertaining to how the federal CHRs were compensated. For equitable treatment, the Trustees agreed that the rates applied to the federal employed CHR would be applied to CHRs that are eligible for compensation under the terms of the CHR Settlement. The result is:

GS-05 rates are to be applied from September 9, 1980 – December 21, 1987

HS-05 rates are to be applied from December 22, 1987 – June 30, 2000

For claimants that were “CHR in Training”, the following rates will be used:

GS-04 rates are to be applied from September 9, 1980 – December 21, 1987

HS-04 rates are to be applied from December 22, 1987 – June 30, 2000

It is very important to note that even if a CHR received a Good Faith payment, this does not mean that they will automatically receive a capital payment. When new information conflicts with what exists in the file, clarification will be requested. If clarification is not provided there can be no payment for the period in question. The reason is that payments must be based on validated information.

For CHR that have not received a Good Faith Payment and are approved a payment in September, a portion of their 1st payment come from the interest income. Interest income is taxable. An interest income distribution model will be developed and the T3s will be issued by March 2003. ❁

Any conflict in information
= No compensation for the period in
question

CHR Statement

The following is a sample of a CHR Statement that each CHR will receive with their September payment. To accompany the CHR Statement Sample is the How to read it document.

CHR Settlement Trust - CHR Statement

Sample

① Contact: Rose Black Bear

② SIN: 111 222 333

A	B	C	D	E	F	G	H	I	J	K
Starting	Ending			Hours	Hours		Average	Average	Total	CONFLICT
Year	m/d/y	m/d/y	Employer	per week	per period	Earnings	CHR rate/hr	GS/HS rate/hr	Underpayment	Category
1986	8/4/1986	12/31/1986	Cree First Nation	37.5	810	\$ 6,779.70	\$8.37	\$9.50	\$915.30	
1987	1/1/1987	3/31/1987	Cree First Nation	37.5	480	\$ 4,142.40	\$8.63	\$9.50	\$417.60	
1987	4/1/1987	12/31/1987	Ojibway First Nation	20	788	\$ 6,997.44	\$8.88	\$9.50	\$488.56	
1988	1/1/1988	3/31/1988	Ojibway First Nation	20	260	\$ -	\$0.00	\$0.00	\$0.00	C
1988	4/1/1988	12/31/1988	Ojibway First Nation	37.5	1470	\$ 14,538.30	\$9.89	\$10.50	\$896.70	

\$2,718.16

Conflict categories: **A** = Hours; **B** = Position; **C** = Salary; **D** = Dates; **E** = Other

Your estimated **share of the Settlement is 0.00845512%**, which is equal to \$3450.62.*

④	Good Faith Payment	\$	1,234.56
	2002 Payment	\$	1,380.25
⑤	2003 Payment	\$	835.81
⑥	Total estimated share	\$	<u>3,450.62</u>

- ⑦ ****NOTE:** The final payment in 2003 will be adjusted to take into account the following:
- The difference between the *actual* and the *estimated* share of the settlement due to corrections of records submitted by CHRs
 - Investment income earned and administration expenses incurred by the Settlement Trust

How to read the CHR Statement

- ❶ Contact is the name of the claimant.
- ❷ SIN is the Social Insurance Number of the claimant.
- ❸ Table of information and figures used to calculate compensation
 - Column A** - The year(s) in consideration for the period of the claim.
 - Column B** - The start date for that year of the claim.
 - Column C** - The end date for that year of the claim.
 - Column D** - The name of the employer(s) of the claimant.
 - Column E** - The number of hours per week being claimed for that period of the claim.
 - Column F** - The total hours worked for that period of the claim.
 - Column G** - The amount of income earned as a CHR during that period of the claim.
 - Column H** - The average rate per hour earned as a CHR during that period of the claim.
 - Column I** - The average rate per hour that a CHR should have earned if they received the comparable government CHR rate for that period of their employment.
 - Column J** - The total dollar amount that a CHR has been underpaid (not indexed).
 - Column K** - Identifies the category of conflict that exists in the file. When a conflict exists, there will be no compensation for that period. When the conflict is resolved, calculations may be entered.
- ❹ The Conflict categories identifies the types of conflicts that exist in a file.
- ❺ Identifies your estimated share of the Settlement in percentage and in dollar amount.
- ❻ Itemized list of claimant's payments.
- ❼ Footnote regarding adjustments to final compensation amount ❁
