



Fund of the Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

Report to Members

Recent Events

- The gross rate of return of the Fund was 7.5% in 2020 (based on unaudited financial statements), 15.1% in 2019, and (3.03)% in 2018.
- The School Division is exempt from the solvency and transfer deficiency provisions of the Manitoba Pension Benefits Act and Regulation under the Solvency Exemption for Public Sector Pension Plans.
- Nevertheless, the School Division has contributed an additional \$1.8 million in the last 10 years above matching employee contributions. These additional contributions will revert back to the School Division at such date as a corresponding surplus is revealed.
- Sustainability of the current defined benefit Plan in the midst of the current global financial markets presents challenges. Possible future Plan design changes to promote Fund stability may be considered.
- Effective July 1, 2014, the required contribution rates are 8.20% on eligible Canada Pension Plan earnings, and 9.80% on earning in excess of eligible Canada Pension Plan earnings.
- In 2020, Plan Members and the School Division each contributed \$1,580,276 to the Fund.
- As at December 31, 2020, the Fund was invested in Canadian Equity (28.2%), Canadian Bonds (22.7%), US Equity (16.2%), International Equity (16.1%), Real Estate (9.3%), and Infrastructure (7.5%).

Unpaid Leave of Absence

During an unpaid leave of absence (layoff):

- Your Service continues.
 - Therefore, the period of a leave of absence will count towards your Rule of 80 Date and 60 and 10 years of service.
- You do not make contributions to the pension plan.
 - Your pension will not increase during your leave of absence as you are not receiving pensionable income.

Can I make contributions during an unpaid leave of absence?

- No.

During what types of leaves of absence can I continue to make contributions to the plan?

- Maternity or Parental Leave
- If you are in receipt of long-term disability benefits from a group insurance policy sponsored by the School Division.

Bill 64 – The Education Modernization Act

The recent announcements regarding Bill 64 – The Education Modernization Act, have raised concerns and questions from members and beneficiaries of the Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division (Plan). This communication is intended to provide you with the most current information available and to highlight the security of your accrued pensions.

As an active member who is accruing a pension, a former member with a deferred pension, a retired member who is receiving monthly pension payments, or a beneficiary receiving monthly pension payments, your accrued pension under the Plan is protected under subsection 26(5) of the Manitoba Pension Benefits Act. Subsection 26(5) prohibits the reduction of accrued benefits and provides benefit security for all members and beneficiaries. This means that any actions or events resulting from Bill 64 will **not** adversely affect the accrued pension of any person in respect of a period of employment or membership in the Plan before the effective date of the event.

Updates regarding Bill 64 will continue to be provided to Plan members as information becomes available.

Plan Benefits

Retirement Dates

- You may retire and receive an unreduced pension if you are:
 - age 65 and older, or
 - age 60 or older and have completed at least 10 years of Service, or
 - age 55 or older and your age plus years of Service total 80 or more.
- You may retire and receive a reduced pension if you are:
 - Between the ages of 55 and 65 and have not satisfied the above criteria.

Retirement Benefits

- Annual Pension =
 - 1.4% of the average of your 6 years of highest Canada Pension Plan earnings (chosen from your last 12 years of Service)
 - PLUS
 - 2% of the average of your 6 years of highest earnings, if any, which are in excess of the Canada Pension Plan earnings (chosen from your last 12 years of Service)
 - MULTIPLIED BY
 - Your years of Contributory Service

Termination of Employment

- A termination benefit is paid to you if your employment Service with the School Division ceases prior to your attainment of age 55.
- You will be offered the following 3 options from the Plan:
 - A deferred pension payable from the Plan, and/or
 - A transfer, out of the Plan, of the value of the pension you accrued to the date your Service ceased. This benefit may be transferred to a locked-in account established in your name, or to a registered pension plan of your subsequent employer, and/or
 - A taxable lump-sum cash payment equal to those contributions which are not locked-in.

Death Prior to Retirement

- If you die prior to retirement, a death benefit will be paid from the Plan.
- If you have a Spouse, your Spouse will receive a monthly pension or a locked-in transfer of the commuted value of the pension you accrued to your date of death.
- If you do not have a Spouse, the value of your monthly pension will be paid as a taxable lump-sum cash payment to your beneficiary or estate.

All rights and benefits are determined in accordance with the Plan Text.

TOTAL MEMBERSHIP COUNT AS AT DECEMBER 31, 2020

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Retired Members	85	243	328
Active Members	167	339	506
Inactive Members	6	20	26
Deferred Members	<u>80</u>	<u>129</u>	<u>209</u>
	338	731	1,069

Member Services

The following services are offered to members and their families:

- ◆ Individual Meetings
- ◆ Personal and General Enquiries

You may make an appointment to view Plan documents including, but not limited to, the following at the Administration Office:

- ◆ The Plan Text and any Amendments
- ◆ The latest Actuarial Valuation Report
- ◆ The Statement of Investment Policies and Procedures

If you have any questions, please contact the Administration Office:

Ellement Consulting Group
1345 Taylor Avenue
Winnipeg MB R3M 3Y9

Telephone: 204.954.7300
 Fax: 204.954.7310
 Toll-Free: 888.840.1045
 E-mail: contact.us@ellement.ca

Retirement Plan Committee Members

Craig Glennie, Committee Chair
 School Board Trustee

Carrie Melville
 Acting Secretary-Treasurer/Chief Financial Officer

Bob Guenther
 C.U.P.E. Representative

Bruce Chegus
 School Board Trustee

Cindy Labaty
 Manager, Human Resources

Martha Wiebe
 M.A.N.T.E. Representative

Professionals

Actuary: Ellement Consulting Group

Auditor: PricewaterhouseCoopers

Custodian: Canadian Western Trust

Investment Consultant: Ellement Consulting Group

Investment Managers:

- ◆ Addenda Capital Inc.
- ◆ Jarislowsky, Fraser Ltd.
- ◆ BlackRock Asset Management Canada Ltd.
- ◆ Letko, Brosseau & Associates Inc.
- ◆ GWL Investment Management Ltd.
- ◆ IFM