



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

Report to Members

Recent Events

- Investment performance in 2017, 2016, and 2015 was favourable. The gross rate of return of the Fund was 9.00% in 2017 (based on unaudited financial statements), 9.01% in 2016, and 5.95% in 2015.
- 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.
- The Office of the Superintendent – Pension Commission Manitoba is now a unit of The Department of Finance (it was formerly a unit of The Department of Labour and Immigration).
- In 2017 the Plan Members and the St. James-Assiniboia School Division each contributed \$1,551,675 to the Fund.

Relationship Breakdown

What happens to my pension if my marriage/common-law relationship breaks down?

The Manitoba Pension Benefits Act states that the pension benefit earned during the period of your marriage/common-law relationship must be equally divided between you and your spouse/common-law partner, if there is:

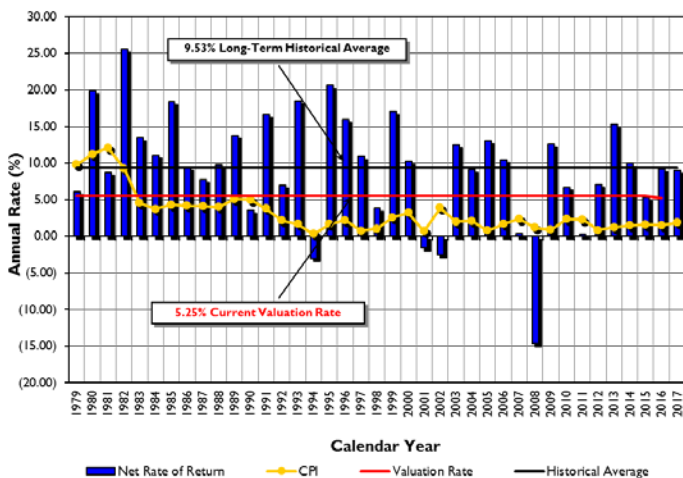
- a court order under The Family Property Act requiring the division of marital property, or
- a written agreement between you and your spouse/common-law partner about the division of family assets, or
- a court order from another Canadian jurisdiction requiring the division of the pension benefits, or
- your common-law partner receives an Order of Queen's Bench requiring the division of the pension benefits.

Is there any way to avoid the mandatory 50/50 division of pension when a marriage/common-law relationship breaks down?

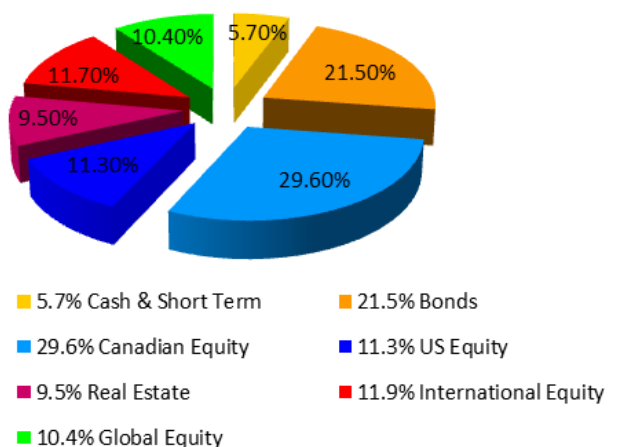
You and your former spouse/common-law partner may agree to waive the 50/50 division of benefits, but both of you must:

- receive a statement from the pension plan consultant providing the information required under the Manitoba Pension Benefits Act such as the amount of entitlement and payment options, and
- receive independent legal advice, and
- sign a written agreement that waives the right of the spouse to the pension.

Historical Rates of Return (ROR) and Inflation (CPI): 1979-2017



Asset Mix at December 31, 2017



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.

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 Policy and Procedures

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

**Ellement Consulting Group
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Winnipeg MB R3H 1B3**

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Toll-Free: 888.840.1045
E-mail: contact.us@ellement.ca

Retirement Plan Committee Members

Joan McEachern, Chair
M.A.N.T.E. Representative

Mike Friesen
Secretary-Treasurer

Randy Palmer
C.U.P.E. Representative

Bruce Chegus
School Board Trustee

Cindy Labaty
Manager, Human Resources

John Mulligan
School Board Trustee

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.

TOTAL MEMBERSHIP COUNT AS AT DECEMBER 31, 2017

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Retired Members	77	213	290
Active Members	163	334	497
Inactive Members	5	16	21
Deferred Members	<u>77</u>	<u>112</u>	<u>189</u>
	322	675	997