King's University College
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To: Plan member
Date: October 3, 2017
From: King's University College
Subject: Retirement Plan for the Employees of King's University College - Registration Number: 0558759

At King's University College ("College"), we recognize how important the Retirement Plan for the Employees of King's University College ("Plan") is to your retirement planning. This notice provides you with information about the financial health of the Plan as at December 31, 2016 and the College's contribution requirements for 2017-2023.

Financial Health of the Plan

The financial health of the Plan, which compares the Plan's assets to its liabilities, is reviewed from time to time. The following table summarizes the financial health of the Plan on two bases as at December 31, 2016:

As at December 31, 2016	Going-Concern*	Solvency**
Assets	$51,470,500	$51,345,500
Actuarial liabilities	$51,684,800	$57,135,700
Excess (shortfall)	($214,300)	($5,790,200)
Ratio of assets to liabilities	99.6%	89.9%

* A going-concern valuation determines the funded status of the Plan by comparing the market value of the Plan's assets to the valuation of the benefits earned by members of the Plan to the valuation date, assuming the Plan will continue indefinitely.
** A solvency valuation determines the funded status of the Plan by comparing the market value of the Plan's assets to the valuation of the benefits earned by members of the Plan to the valuation date assuming the Plan is wound up at the valuation date.

College's Contribution Requirements

The College's minimum contribution requirements are determined according to pension rules in Ontario. Based on the financial health of the Plan as at December 31, 2016, the College must fund its portion of the cost of benefits being earned by members in the year, which is referred to as the current service cost, and must make special payments to fund the going-concern and solvency shortfalls. Recent changes to the Ontario pension rules permit the College to make certain choices relating to funding the solvency shortfall as at December 31, 2016. The College has chosen to:

- Defer making special payments to fund the new solvency deficiency until January 1, 2019.

The College will make the contributions necessary to fund the Plan according to Ontario's pension rules. For your reference, the following table shows the College's estimated minimum contribution requirements for 2017-2023 based on the College's choices in comparison to those that would have been required had the College not made the above choices. Please note that the amounts below include the annual current service cost for benefits that are accrued each year as well as special payments to pay down the going-concern and solvency shortfalls shown above.

College's estimated minimum contribution requirements			
Year	**As chosen by the College**	**Had the College not made the above choices (for reference only)**	**Difference**
2017	$1,511,000	$1,511,000	$0
2018	$1,570,000	$2,823,000	($1,253,000)
2019	$2,917,000	$2,885,000	$32,000
2020	$2,982,000	$2,950,000	$32,000
2021	$3,048,000	$3,016,000	$32,000
2022	$3,118,000	$3,086,000	$32,000
2023	$3,190,000	$1,905,000	$1,285,000
TOTAL 2017-2023	**$18,336,000**	**$18,176,000**	**$160,000**

Security of Benefits
During the period that these measures are in place, the assets of the Plan will be less than they otherwise would be. In the event that the Plan were terminated and the assets of the Plan were insufficient to pay the full value of the pension entitlements of all of the Plan members, the College would still be required to make up the shortfall in the pension fund.

This notice is for your information. If you have any questions or concerns, please contact:
Jeff Major at ext. # 4515 or by email at jmajor5@uwo.ca