



KING'S

Western University · Canada



King's University College

Pension and Benefits Discussion

10:00am, April 14th, 2023

Vitali Lounge, Wemple Hall

Discussion Topics



- Employee Benefits
- Pensions
- Retirement Plan for Employees of KUC
 - » Pension C'ee & Administration
 - » Outline of plan/Recent Changes
 - » Options and Examples
 - » SIPP
 - » Returns and Asset Mix
 - » Valuations
- Government Retirement Plans - CPP and OAS
- Benefits in Retirement
- Questions & Discussion

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Employee Benefits and who pays?

- King's and Employee share funding of Pension Plan
 - Employee pays 9% and College contributes remainder (17.11% plus special payments as req'd)
- Employee Pays 100% of LTD coverage
 - Allows for tax-free collection on claims
- King's pays 100% of premiums for:
 - Life insurance (taxable benefit)
 - Accidental Death and Dismemberment (taxable benefit)
 - Health and Dental Coverage
 - Parking (taxable benefit)



Employee Benefits Who pays?

Pay Statement

E100		Pay Period Start	01 03 2023	Cheque No.	EPD129:		
		Pay Period End	31 03 2023	Pay Date	31 03 2023		
Earnings	Hours	Rate	This	YTD Amount	Gross to Net	This	YTD
Base Salary			13,960.83	55,843.32	Total Earnings	13,960.83	57,307.61
Honorarium 01-				1,464.29	CPP Employee	-828.26	-3,400.16
					Pension	-1,256.47	-5,025.88
					EI Employee	-227.56	-934.11
					Faculty Union	-136.17	-544.68
					<u>Federal</u>	-2,299.08	-9,628.16
					Provincial	-1,351.41	-5,709.81
					Long Term	-236.59	-946.36
Total Earnings			13,960.83	57,307.61	Net Pay	7,625.29	31,118.45
Other	This Cheque	YTD	Balance	Net Pay	Amount		
Gross Earnings	13,960.83	55,843.33		*****3744	7,625.29		
Taxable	100.00	400.00					
Group Life	-136.69	-546.76					
AD&D	-14.40	-57.60					
CPP Employer	-828.26	-3,400.16					
EI Employer	-264.65	-1,086.36					
Pension	-2,388.70	-9,554.80					
Dental Faculty	-204.68	-818.72					
Extended	-330.64	-1,322.56					



Employee Benefits Who pays?

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Taxable	100.00	400.00				
Group Life	-136.69	-546.76				
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Extended	-330.64	-1,322.56				

**\$4,268.02
or 30.6%**



Employee Benefits Coverage

- Short Term Disability/Sick Leave
 - King's pays salary and benefits for up to 120 days for FT Faculty
 - King's pays up to 9/39ths of contract for PT Faculty who have existing contracts
- LTD coverage (FT Faculty)
 - Must be applied for and supported by medical documentation
 - Covers 2/3 of first \$2,500 and 50% of remainder to a maximum of \$6,300/month (no tax withholdings)
 - Based on "own-occupation" to age 65
- Life Insurance (FT Faculty)
 - 3.5 x salary – min. \$135,000; max. \$438,000
 - Reduced to 50% at age 65 or early retirement
 - Terminates at age 70 or retirement post-65



Employee Benefits Coverage

- AD&D (FT Faculty)
 - Coverage for accidents
 - Benefit payout based on severity of injury
- Health Coverage (FT Faculty)
 - Extensive coverage for drugs, therapists, ambulance and hospital stays
 - Review benefit booklets on-line or on Manulife website: manulife.com/signin
- Dental (FT Faculty)
 - 100% coverage for Level 1 basic care, 80% for periodontal, 60% for ortho or implants

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Discussion Topics



- Pension Types
 - Defined Contribution
 - Defined Benefit
 - Hybrid
 - JSPP
 - RRSP



Overview of a Pension Plan

All pension plans basically work the same:

- Regular contributions are made to the retirement plan
- The contributions are allocated to your personal pension plan account
- These contributions are held in a trust fund and invested by professional money managers to generate income
- Pension benefits paid out according to plan arrangements for:
 - Retirement income
 - Termination of employment
 - Benefits to beneficiaries



Defined Contribution Plans

- Like a bank account, funds are accumulated in members' accounts – regular **contributions** by members and sponsor are **defined**
- Several investment options are offered and members normally make their own selections
- Retirement income depends on amount **accumulated** (i.e. on success of investments)
- Investment risk is carried by **employee**
- Income Tax limits focus on contribution limits
- King's has dormant, Pre-1978 accounts in our plan with a few members remaining (Sunlife).



Defined Benefit Plans

- Investment decisions are the responsibility of the Pension Committee, using professional managers
- Investment risk is carried by plan **sponsor/employer**
- Contributions *fluctuate* based on actuarial calculations and negotiated settlements for employee group
- Additional payments may be required depending on funded status of plan
- **Retirement income is defined** and based on preset formula



Hybrid Plans

- Function similar to DB plans but at lower benefit levels
- Contributions are generally fixed subject to minimum benefit guarantee
- Minimum benefit guarantee indicated and affects contributions if valuations indicate requirement for funding



JSPP

- Function similar to DB plans
- Differ in that contributions and governance are generally shared (often 50/50)
- Can involve a number of employers, unions or employee groups
- May allow for lower overall funding due to avoidance of Solvency Valuation requirement if multiple employers and approved by government/FSRA.
- Examples – OTPP, CAAT, OMERS, UPP
- University Pension Plan (UPP) now operational in Ontario



Group RRSP

- Similar to Defined Contribution with more flexibility
- Like a bank account, funds are accumulated in members' accounts – regular **contributions** by members and sponsor are defined
- Investment options are offered and members make their own selections
- *Retirement income depends on amount accumulated (i.e. on past success of investments)*
- Investment risk is carried by **employee**
- Income Tax limits focus on contributions
- Ability to move funds to other employer, other RRSP or make withdrawals (subject to tax)

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Pension Committee & Admin.

- Plan Administrator is the Pension Committee,
 - meets quarterly or as needed to review the plan filings, payments and investments
- Consists of 3 members appointed by the Board of Directors, 5 members elected by the faculty, and the VP Finance or his/her representative, who will act as Chairperson of the Pension Committee
- Current members: A. Bohnet, T. Hunter, P. Ibbot, S. Bangarth, C. Lavrence, M. O'Hare, K. Deanne, D. Malloy, J. Major



Pension Committee & Admin.

- Ensure plan is in compliance with legislation (annual filings, valuations, amendments)
- Provide information to plan Members
- Monitor investment performance
- Interpret the Plan and resolve ambiguities, inconsistencies and omissions
- Consult with actuaries to compute the amount of benefits which will be payable to any person in accordance with the provisions of the Plan
- Authorize the payment of benefits and expenses



Pension Committee & Admin.

- Pension Plan registered with Ontario Pension Commission and Canada Revenue Agency
- Must comply with strict provisions of the Ontario Pension Benefits Act and Canadian Income Tax Act
- Both Acts require:
 - That the plan to be properly funded
 - That information be communicated to members
 - That funds be kept separate from assets of the University



Outline of Plan

- Eligibility: Full time faculty and part time faculty who meet service requirements.
- Contributions: Members - 9% (subject to \$16,480 maximum); King's University College – as determined by actuarial valuation (17.11% of salary plus special payments as required)
- Benefit:
 - Annuity Formula: [(2% X final average earnings) to **Maximum**] X years of service
 - Reduced 1/2% per month before age 65*
 - **Maximum: 2022: \$3,420.00**
2023: \$3,506.67

*subject to grandfathering for those who had already attained age 55 with 10 years as of July 1st, 2011



Outline of Plan Contributions

- Employee contributes 9% of basic earnings to the Pension Plan
- King's University College – as determined by actuarial valuation (17.11% of salary plus special funding requirement)
- Contributions are directed to your individual member account
- Member contributions are fully tax deductible and are locked-in and immediately vested



Outline of Plan Annual Statements

YOUR PERSONAL PENSION STATEMENT

2021

Prepared for: [REDACTED]

This personal pension statement summarizes the main features of the Retirement Plan for the Employees of King's University College (the "Plan"), government registration number 0558759 and reports specific details of your position in the Plan for the period January 1, 2021 to December 31, 2021.

Personal Data

Birth Date: October [REDACTED]
Employment Date: July 1, 2007
Plan Entry Date: October 1, 2007
Earliest Unreduced Retirement Date: November 1, 2037
Normal Retirement Date: July 1, 2038
Spouse: [REDACTED]
Beneficiary: [REDACTED]
Relationship: Spouse

Estimated Pension at Normal Retirement Date

Based on current Plan provisions, your projected credited service and estimated final average earnings of \$136,062.24, your estimated annual pension at your Normal Retirement Date is \$83,678.28.

At your retirement date, your final average earnings will be based on your actual earnings history. If you were a member of any previous King's University College pension plans you may be entitled to additional benefits accrued under those plans.



Outline of Plan Annual Statements

Vesting Date

Vesting means that you have a right to the pension you have earned regardless of whether or not you remain employed by King's University College. Your benefits are vested under the Plan.

Contributions with Interest (CWI)

Required Contributions	Member	King's
CWI at 31/12/20:	\$142,059.48	\$142,059.48
Current Year Contributions:	\$12,245.60	\$12,245.60
Current Year Interest:	<u>\$15,173.86</u>	<u>\$15,173.86</u>
CWI at 31/12/21:	<u><u>\$169,478.94</u></u>	<u><u>\$169,478.94</u></u>

Flexible Contributions	Member
CWI at 31/12/20:	\$0.00
Current Year Contributions:	\$0.00
Current Year Interest:	<u>\$0.00</u>
CWI at 31/12/21:	<u><u>\$0.00</u></u>

Pension Earned to Date

Based on current Plan provisions, your final average earnings of \$130,634.46 and your credited service of 14.2500 years, as at December 31, 2021 you have earned an annual pension of \$37,230.82 payable commencing at your Normal Retirement Date.

Early Retirement

You may retire any time after you attain age 55.

If, as at July 1, 2011, you were a member of the Plan, had attained age 55 and had at least 10 years of continuous service, your pension benefit will be reduced by 3% for each year that your retirement date precedes your 60th birthday.

If, as at July 1, 2011, you were a member of the Plan, had attained age 55 and had less than 10 years of continuous service, your pension benefit will be reduced by 3% for each year that your retirement date precedes your 65th birthday.

If, as at July 1, 2011 you were a member of the Plan and had not attained age 55 or if your Date of Plan Entry is on or after July 1, 2011, your pension benefit will be reduced by 6% for each year that your retirement date precedes your 65th birthday.

In no event, will your pension be reduced by more than on an actuarially equivalent basis.

The decision you make regarding these options is an important one and will be based on your personal circumstances at retirement. It is recommended you seek independent advice to choose the option that best suits your needs.



Outline of Plan Annuity Example

- **Annuity** - Series of monthly payments calculated using your contribution amounts (employee & employer) and an annuity factor determined by the actuary

- Base form of pension, reduces employee risk
- Formula – You earn a pension equal to:

2% of your highest average 3yr annual salary

MULTIPLIED BY

Your years of Credited Services

(To a maximum permitted by CRA)

Pension Example

Age: 65

Avg. Sal.: \$173,650

Service: 30 years

Formula \$104,190/yr.

Formula \$8,682/mth.



Outline of Plan Annuity Options

- Guarantee Options:
 - Life Only: Payments ceasing upon your death
 - 5, 10 and 15 Year: If you die prior to receiving 60 payments for the 5 year option or 120 payments for the 10 year option or 180 payments for the 15 year option, the balance of unpaid payments will be made to your beneficiary, or if none, to your estate.
 - Survivor Guarantees:
 - 50%: If you die before your spouse, 50% of monthly pension will be payable to them for their lifetime
 - 60%: If you die before your spouse, 60% of monthly pension will be payable to them for their lifetime
 - 100%: If you die before your spouse, 100% of monthly pension will be payable to them for their lifetime
- *(60% to spouse is required unless waived by spouse)***

Pension Statement - Overview and Options

Statement and Election of Estimated Benefits on Retirement

The Retirement Plan for the Employees of King's University College

Provincial Registration Number: 0558759
Prepared at: June 30, 2014
Name: Employee

This statement describes your pension benefits and payment options available as a result of your retirement.

Within 90 days of receipt of this statement, please return a completed election form to Jeff Major.

This statement is based on information in plan records. If you believe any information is incorrect, please report this to Jeff Major immediately.

Please note that the pension amounts may change based on earnings, interest rates and annuity purchase rates in effect at your retirement date.

Member Information

Birth Date:	
Employment Date:	July 1, 1981
Plan Entry Date:	May 1, 1983
Retirement Date:	June 30, 2014
Pension Commencement Date:	July 1, 2014
Normal Retirement Date:	July 1, 2014
Credited Service:	31.1667 years
Required Contributions with Interest:	
Balance at January 1, 2014:	\$409,198.97
Current Year Contributions:	\$6,390.98
Current Year Credited Interest:	\$26,135.92
Balance at June 30, 2014:	\$441,725.87
Final Average Earnings:	\$150,235.32
Province:	Ontario
Spouse:	
Beneficiary:	
Relationship:	Spouse
Spouse Birth Date:	

Your Pension Benefits

You are entitled to a pension of \$7,194.31 per month commencing on July 1, 2014, payable for your lifetime guaranteed 60 months.

Payment Options

Your pension benefits may be paid in one of the following forms:

Life Only Pension

A pension of \$7,194.31 per month commencing on July 1, 2014, with pension payments ceasing upon your death, regardless of when you die.

Life Guaranteed 5 Years Pension

A pension of \$7,194.31 per month commencing on July 1, 2014, payable for your lifetime, guaranteed 60 months. If you die prior to receiving 60 payments, the balance of the pension at the time of death, less unpaid guaranteed payments will be made to your beneficiary, or if none, to your estate.

Life Guaranteed 10 Years Pension

A pension of \$7,194.31 per month commencing on July 1, 2014, payable for your lifetime, guaranteed 120 months. If you die prior to receiving 120 payments, the balance of the pension at the time of death, less unpaid guaranteed payments will be made to your beneficiary, or if none, to your estate.

Life Guaranteed 15 Years Pension

A pension of \$7,194.31 per month commencing on July 1, 2014, payable for your lifetime, guaranteed 180 months. If you die prior to receiving 180 payments, the balance of the pension at the time of death, less unpaid guaranteed payments will be made to your beneficiary, or if none, to your estate.

Joint and 60% Survivor Pension

A pension of \$7,064.13 per month commencing on July 1, 2014, payable to you and your spouse are both alive. If you die before your spouse, a pension of \$7,064.13 per month will be payable to your spouse for their lifetime. If your spouse dies before you, a pension of \$7,064.13 per month will be payable to you for the remainder of your lifetime.

Joint and 66 2/3% Survivor, Guaranteed 5 Years Pension

A pension of \$6,961.80 per month commencing on July 1, 2014, payable to you and your beneficiary are both alive, guaranteed 60 months. If you die before your beneficiary, the pension of \$6,961.80 per month will be payable to your beneficiary for their lifetime. If your beneficiary dies before you, the pension of \$6,961.80 per month will be payable to you for the remainder of your lifetime.

Joint and 100% Survivor Pension

A pension of \$6,607.55 per month commencing on July 1, 2014, payable to you and your spouse are both alive. If you die before your spouse, a pension of \$6,607.55 per month will be payable to your spouse for their lifetime. If your spouse dies before you, a pension of \$6,607.55 per month will be payable to you for the remainder of your lifetime.

Commuted Value

The commuted value of \$1,070,513.81 transferred to a locked-in arrangement plus \$356,775.83 paid in cash, less withholding tax.



Statement of Invest't Policies and Procedures

Investment Objectives

The primary objectives in investing the assets of the Fund shall be:

- The preservation and enhancement of the value of the trust capital through adequate diversification of high quality investments.
- The achievement of the highest investment return that can be obtained with assumption of an *acceptable degree of risk*.
- Policy benchmarks set out for each asset class



SIPP

Investment Guidelines – Asset Mix

3.1 To diversify risk and enhance expected returns, equity, debt and alternative investments will be allocated among the following broad asset classes and maintained within the corresponding ranges expressed as a percentage of the Fund's market value:

Canadian equities	20%	to	30%
Global Equities	30%	to	40%
Fixed Income – Long Bonds	0%	to	40%
Fixed Income – Universe Bonds	0%	to	40%
Alternatives*	0%	to	10%

Alternative assets are opportunistically used within other asset classes, and this will be a placeholder for future use.



Pension Fund Asset Mix



PORTFOLIO VALUATION

Retirement Plan for the Employees of King's College
Mar 31, 2023

Reporting Currency: Canadian Dollar
Account #: 1870
Account Type: Pension
Performance Inception Date: Jan 31, 2022

Quantity	Symbol	Security	Currency	Unit Cost	Book Value	Market Price	Principal Value	Accrued Income	Market Value	Pct. Assets
									11,046,705.26	14.2
									11,046,705.26	14.2
Bonds										
1,296,257.3640	1035	FGP Core Plus Bond Fund	CAD	9.554	12,384,313.23	8.522	11,046,705.26		16,620,861.62	21.4
Total Bonds									16,620,861.62	21.4
Long Term Bonds										
1,917,275.5360	1029	FGP Long Term Bond Fund	CAD	10.162	19,482,778.81	8.669	16,620,861.62			
Total Long Term Bonds										
Domestic Equities										
Canadian Equities										
126,717.2390	1001	FGP Canadian Equity Fund	CAD	169.723	21,506,829.95	170.609	21,619,101.43		21,619,101.43	27.8
Total Canadian Equities									21,619,101.43	27.8
Total Domestic Equities										
Foreign Equities										
Global Equities										
2,283,029.3220	1019	FGP Global Equity Fund	CAD	12.706	29,007,713.96	12.461	28,448,828.38		28,448,828.38	36.6
Total Global Equities									28,448,828.38	36.6
Total Foreign Equities										
Total Portfolio					82,381,635.95		77,735,496.69		28,448,828.38	36.6
									77,735,496.69	100.0

Book Value means the total amount paid to purchase an investment, including any transaction charges related to the purchase, adjusted for reinvested distributions and return of capital.



Pension Fund Asset Returns



PERFORMANCE HISTORY

Retirement Plan for the Employees of King's College

Mar 31, 2023

Reporting Currency: Canadian Dollar
 Account #: 1870
 Performance Inception Date: Jan 31, 2022
 Fiscal Year: December 31

	1 Mth	3 Mth	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Fiscal YTD	Inception	Inception Date
	28 Feb 2023	31 Dec 2022	31 Dec 2022	31 Dec 2022	31 Mar 2022	31 Mar 2020	31 Mar 2018	31 Mar 2016	31 Mar 2013	31 Dec 2022	31 Jan 2022	
	31 Mar 2023											
	0.47	5.21	5.21	5.21	0.94	N/A	N/A	N/A	N/A	5.21	-0.63	31Jan 2022
	1.82	5.50	5.50	5.50	-2.87	N/A	N/A	N/A	N/A	5.50	-3.67	31Jan 2022
Fixed Income	1.71	3.77	3.77	3.77	-5.75	N/A	N/A	N/A	N/A	3.77	-8.49	31Jan 2022
Bonds	0.73	2.70	2.70	2.70	-3.51	N/A	N/A	N/A	N/A	2.70	-5.80	31Jan 2022
FTSE Canada Universe Bond Index	2.16	3.22	3.22	3.22	-2.01	N/A	N/A	N/A	N/A	3.22	-4.85	31Jan 2022
Long Term Bonds	2.35	4.44	4.44	4.44	-7.34	N/A	N/A	N/A	N/A	4.44	-10.37	31Jan 2022
FTSE Canada Long Term Overall Bond Index	2.61	4.72	4.72	4.72	-7.17	N/A	N/A	N/A	N/A	4.72	-10.40	31Jan 2022
Equities	-0.22	5.90	5.90	5.90	4.43	N/A	N/A	N/A	N/A	5.90	3.59	31Jan 2022
Domestic Equities	-3.40	3.95	3.95	3.95	0.00	N/A	N/A	N/A	N/A	3.95	2.35	31Jan 2022
Canadian Equities	-3.40	3.95	3.95	3.95	0.00	N/A	N/A	N/A	N/A	3.95	2.35	31Jan 2022
S&P/TSX Total Return Index	-0.22	4.55	4.55	4.55	-5.17	N/A	N/A	N/A	N/A	4.55	-0.98	31Jan 2022
Foreign Equities	2.34	7.43	7.43	7.43	7.75	N/A	N/A	N/A	N/A	7.43	4.06	31Jan 2022
Global Equities	2.34	7.43	7.43	7.43	7.75	N/A	N/A	N/A	N/A	7.43	4.06	31Jan 2022
MSCI World-ex Canada Net	2.58	7.72	7.72	7.72	0.98	N/A	N/A	N/A	N/A	7.72	-0.74	31Jan 2022



Pension Valuation

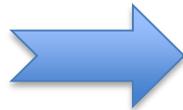
- Legislatively required by FSRA to determine if assets are sufficient to meet expected liabilities
- Numerous assumptions required – asset returns, mortality, wage expectations, retirement trends, etc.
- Valuation filed at September 30th, 2022 based on Dec. 31st, 2021.
- Determines funding requirements
- Valuation based on “going concern” assumption and “wind-up” assumption



Pension Valuation

Summary of results

	12.31.2021	12.31.2019
Going Concern Financial Status		
Market value of assets	\$78,781,400	\$65,131,400
Going concern funding liabilities	\$69,638,000	\$64,602,100
Provision for adverse deviations in respect of the going concern liabilities	\$5,571,000	\$4,499,900
Funding excess (shortfall)	\$3,572,400	(\$3,970,600)
Funded ratio	104.7%	94.3%
Hypothetical Wind-up Financial Position		
Wind-up assets	\$78,651,400	\$65,006,400
Wind-up liability	\$74,578,100	\$71,062,100
Wind-up excess (shortfall)	\$4,073,300	(\$6,055,700)
Wind-up ratio	105.6%	91.7%

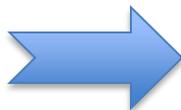
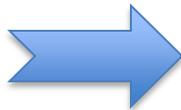




Pension Valuation

Summary of results

	12.31.2021	12.31.2019
Funding Requirements in the Year Following the Valuation ¹		
Total current service cost	\$3,277,100	\$3,097,200
Estimated members' required contributions	(\$1,208,600)	(\$1,150,600)
Estimated employer's current service cost	\$2,068,500	\$1,946,600
Provision for adverse deviations in respect of current service cost and expense allowance	\$262,200	\$216,800
Total	\$2,330,700	\$2,163,400
Employer's current service cost and provision for adverse deviations in respect of the current service cost expressed as a percentage of members' pensionable earnings	17.11%	16.24%
Minimum special payments	\$0	\$135,200





Plan Service Providers

- Defined benefit investment counsel: Foyston, Gordon & Payne Inc.
- DB custodian: CIBC Mellon
- Consultants: Mercer Human Resource Consulting
- Auditors: KPMG

Discussion Topics



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Canada Pension Plan

- The Canada Pension Plan (CPP) retirement pension is a monthly, taxable benefit that replaces part of your income when you retire. If you qualify, you'll receive the CPP retirement pension for the rest of your life. To qualify you must:
 - be at least 60 years old
 - have made at least one valid contribution to the CPP
- Valid contributions can be either from work you did in Canada, or as the result of receiving credits from a former spouse or former common-law partner at the end of the relationship.



Canada Pension Plan

- Not automatic – you must apply for it.
- Processing speed – 7-14 days for on-line, 120 days for mail or Service Canada
- Eligible to receive as early as age 60 (with reduction) or as late as age 70 (with increase)
- Can earn additional Post-retirement benefit if continue to work while receiving CPP
- Statements sent upon request only to Service Canada
- Pension sharing and survivor benefits available



Canada Pension Plan

Canada Pension Plan pensions and benefits - Monthly and maximum payment amounts January to December 2023

Type of pension or benefit	Average amount for new beneficiaries (January 2023)	Maximum payment amount (2023)
Retirement pension (at age 65)	\$811.21	\$1,306.57
Post-retirement benefit (at age 65)	\$5.48	\$40.25
Disability benefit	\$1,132.55	\$1,538.67
Post-retirement disability benefit	\$558.74	\$558.74
Survivor's pension – younger than 65	\$510.54	\$707.95
Survivor's pension – 65 and older	\$331.34	\$783.94
Children of disabled CPP contributors	\$281.72	\$281.72
Children of deceased CPP contributors	\$281.72	\$281.72
Death benefit (one-time payment)	\$2,499.24	\$2,500.00
Combined benefits		
Combined survivor's and retirement pension (at age 65)	\$927.63	\$1,313.13
Combined survivor's pension and disability benefit	1,156.71	\$1,542.77



Old Age Security

- The Old Age Security (OAS) pension is a monthly payment you can get if you are 65 and older. In some cases, Service Canada will be able to automatically enroll you for the OAS pension. In other cases, you will have to apply for the Old Age Security pension. Service Canada will inform you if you have been automatically enrolled.
- In most cases, you do not have to apply to get this benefit.
- Living in Canada: Eligible to receive after age 65 upon application, be a Canadian citizen or legal resident at time of application and resided in Canada for 10 years after age 18
- Living outside Canada: Eligible to receive after age 65 upon application, be a Canadian citizen or legal resident day before leaving and resided in Canada for 20 years after age 18
- Starting 2023 age of eligibility will increase gradually over 6 years to 67. Affects people born in 1958 and later.



Old Age Security

- Claw-backs between \$79,845 and \$129,757
- Claw-back at \$0.15 per \$1 over \$79,845 based on prior year's tax return
- GIS for lower income earners and survivor benefits



Old Age Security

If you are receiving a full OAS pension

Old Age Security (OAS) pension amounts - April to June 2023

Age	Maximum monthly payment amount	Your annual net world income in 2021 must be
65 to 74	\$691.00	Less than \$129,757
75 and over	\$760.10	Less than \$129,757



Pension Overview

Retirement Income Example

	<u>Annually</u>	<u>Monthly</u>
Pension - \$173,650 @ 30 yrs.	\$ 104,190	\$ 8,682.50
CPP - Max	\$ 15,679	\$ 1,306.58
OAS - Clawed back	<u>\$ 2,288</u>	<u>\$ 190.67</u>
Retirement Income	<u>\$ 122,157</u>	<u>\$ 10,179.75</u>
Working Income	<u>\$ 173,650</u>	<u>\$ 14,470.83</u>

70.3%

Discussion Topics



- Employee Benefits
- Pensions
- Retirement Plan for Employees of KUC
 - » Pension C'ee & Administration
 - » Outline of plan/Recent Changes
 - » Options and Examples
 - » SIPP
 - » Returns and Asset Mix
 - » Valuations
- Government Retirement Plans -CPP and OAS
- **Benefits in Retirement**
- Questions & Discussion



Retiree Benefits

- Minor differences from existing employee benefits
 - Drug Plan:
 - Deductible is \$2.00, no dispensing fee cap
 - Prescribed drugs covered
 - Max. \$10,000/yr for RE, \$2,000 for RL *after* ODB
 - Dental:
 - Lowest cost alternative in Level III and IV
 - Ext. Health:
 - \$50,000 lifetime max. (not drugs or OC)
 - Emergency Out of Country max. lifetime of \$50,000 and 60 day trips, pre-existing conditions stable for 90 days prior
 - Vision at \$200.00 every 2 years
 - Hearing aids at \$600.00 every 5 years

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Questions & Discussion



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