
Pension Office Newsletter

June 2009

The Anglican Church of Canada

Number 11

GENERAL SYNOD PENSION PLAN

2008 ACTUARIAL VALUATION

Pension regulation requires that the next actuarial valuation be conducted as at December 31, 2009. However, in light of the global market turmoil, the Trustees asked the actuary to present the estimated financial position of the General Synod Pension Plan (GSPP) as of June 30 and August 31, 2008.

The actuary recommended that a full actuarial valuation be conducted in mid-2008. The rationale was that the markets collapsed and investment losses occurred in the 4th quarter of 2008 and filing prior to this collapse would maximize time for some recovery in the markets before the next required filing.

The Trustees instructed the actuary to conduct a valuation of the GSPP as of August 31, 2008 and to file it with the regulator provided that the results of the valuation satisfy certain financial thresholds.

The actuary reviewed the GSPP's provisions to determine if there were any changes that could be implemented to reduce the solvency liabilities to provide greater assurance that all financial tests would be met.

The Pension Committee approved the actuary's recommendation to amend the

GSPP to provide that, **upon full or partial termination** of the plan, the early retirement benefits for all members be determined as the actuarial equivalent of the amount of pension payable at the member's Normal Retirement Date. Based on the December 31, 2006 actuarial valuation, this amendment would reduce solvency liabilities by between \$15 and \$20 million. Such an amendment would have no practical impact unless the plan is **fully or partially terminated**. Members currently retiring would be eligible to receive the early retirement benefits as documented in the GSPP's current provision. This amendment would be subject to applicable pension legislation in each province.

RESULTS OF THE VALUATION

The actuary reported that the valuation showed:

- ❖ Solvency surplus of \$57,000
- ❖ Going concern surplus of \$29.7 million
- ❖ Current service cost of 14.4%
- ❖ Transfer ratio of 96.6%

The Trustees authorized the actuary to file the valuation with the Financial Services Commission of Ontario (FSCO) before May 31, 2009. This means that the next valuation will not be required until August 31, 2011. While the Trustees were pleased with these results, they recognize the depletion in the assets since the valuation and will continue to closely monitor the Plan's financial status.

- **Membership Data**

There are more pensioners & survivors than actively participating members. The Pension

Plan is paying out more in pensions than it is receiving from contributions, each month.

	31/8/2008	31/12/2006
Active Members	1,871	1,958
Inactive Members	729	690
Pensioners	2,492	2,419

The actuary reported that since the previous valuation, the average age has gone up by 8 months. The actuary, the Trustees and the Pension Committee are **concerned** that the average age of the active members continues to increase.

Date of Valuation	Average age of active members
Aug. 31, 2008	51.9
Dec. 31, 2006	51.4
Dec. 31, 2004	50.9
Dec. 31, 2002	50.7
Dec. 31, 1999	48.9

The Trustees will continue to closely monitor the financial status of the Plan.

INVESTMENT PERFORMANCE

The market value of the assets of the GSPP at April 30, 2009 was \$484 million. The investment returns were as follows:

	2009-Q1	1 year	4 years
Total Portfolio	-4.8%	-20.6%	0.2%
Benchmark	-4.3%	-18.8%	0.0%
Excess Return	-0.5%	-1.8%	0.2%
Inflation	0.6%	1.2%	1.8%
Quartile	Q4	Q4	Q3

WORK & COLLECT CPP

Starting in 2012, Canadians will be able to work and draw on their Canada Pension Plan benefits at the same time. Individuals will be able to draw CPP benefits as early as age 60 without leaving their jobs or reducing their hours. Currently, Canadians

can retire at 60 and collect reduced CPP benefits.

Someone retiring at age 60 has a reduction of 30 per cent. However, they are required to leave their jobs and remain out of work for at least two months. Under the new plan, the reduction for someone who retires at age 60 would be 36 per cent. It will also allow those who work past 65 to make contributions to the federal plan and boost the benefits received. Individuals who wait until age 70 to collect CPP would see their benefits boosted by up to 42 per cent.

TAX-FREE SAVINGS ACCOUNTS (TFSA)

The Trustees were advised by Group Retirement Services, which is the record-keeper for the Lay Retirement Plan and Group RRSP members, that they can offer a TFSA. The Trustees agreed that a TFSA option would be offered to all the members of the GSPP/LRP/Group RRSP, subject to the participating employers' payroll departments' willingness to remit deductions. Application forms will be available in your payroll office.

GROUP PLAN COVERAGE WITH MANULIFE FINANCIAL

We have good news for those who have health and/or dental coverage under the national Group Plan with Manulife Financial. You can now submit certain health and dental claims online. You will have to register on the Manulife Plan Member Secure Site www.manulife.ca/groupbenefits. With this Secure Site, you will be able to:

- ❖ receive your claims payments up to 70% faster with Direct Deposit;
- ❖ check the status of your claim;
- ❖ ask questions; and
- ❖ obtain practical advice on health matters as well as reliable information on Health eLinks.

The attached brochures will guide you through the registration process and how to submit a claim online.

ENDOWMENT FUNDS

The Endowment Funds are invested with the assets of the GSPP. These funds have been donated to the Pension Fund in order to supplement pensions of clergy and clergy survivors. In addition to making cash donations to the Endowment Funds, it is now possible to give stocks and bonds with advantageous tax consequences to the donor/estate. An account has been set up to facilitate the sale of any such securities which are given to the Endowment Funds. If you have any questions, please do not hesitate to call the Pension Office.

VISION 2019: DREAM THE CHURCH

Notice any babies in bishops' hats recently? Along with this newsletter you will find an insert with a photo of a baby wearing a mitre—a great visual to inspire thoughts of the church's future and Vision 2019.

Vision 2019 is a church-wide exercise to discern where God wants the Anglican Church of Canada to be by 2019. All Canadian Anglicans are invited to respond to the two-part question "Where is your church now, and where do you want the Anglican Church of Canada to be by 2019?" You can answer by

Phone: 1-866-496-3057 (toll-free)

Video: visit www.anglican.ca/vision2019/yourstory

Email: vision2019@national.anglican.ca

Letter: Vision 2019, Anglican Church of Canada, 80 Hayden St., Toronto, Ont., M4Y 3G2

The results will be shared at our next national meeting, General Synod 2010. So join in—your voice is needed!

PENSION OFFICE RELOCATON

As most of you are aware, 80 Hayden Street has been over-crowded since the move in 2004. The Pension Office was crammed and the other departments were struggling with space issues. The Pension Office was the most independent group at Church House. As a result, in January 2009 the Pension Office moved to 625 Church Street, Suite 401 which is at the intersection of Hayden and Church, across the road from Church House. The Pension Office staff will still be part of the Church House community and Judy Robinson will continue to be part of the Management Team.

MISSION STATEMENT

The Pension Committee, on behalf of the Anglican Church of Canada, commits to faithful stewardship and administration of the Pension Plans, Benefit Plans and Funds and to do so with compassion and efficiency for the well-being of the Plan members and their beneficiaries.

PENSION FUND ADVISORS – May 2009

- ◆ **Investment Fund Managers**
 - Letko, Brosseau – Canadian/Global Equity
 - Barclays Global – Canadian Bond Index
 - Bental Capital – Canadian Real Estate
 - AllianceBernstein – Global Equity
 - CGOV (Cranston, Gaskin, O'Reilly & Vernon) - Canadian/Global Equity
 - Fortis – Global Real Estate
 - Canso Investment Counsel Ltd – Fixed Income Fund for Corporate Credit
- ◆ **Asset Consultant** - Mercer (Canada) Ltd.
- ◆ **Actuary** - Eckler Ltd.
- ◆ **Legal Counsel** - Ogilvy Renault LLP
- ◆ **Auditor** - BDO Dunwoody LLP

MEMBERSHIP OF THE PENSION COMMITTEE

EX-OFFICIO MEMBERS:

The Most Rev. Fred Hiltz – The Primate
 The Ven. Michael Pollesel – General Secretary
 The Rev. Canon Robert Falby – Prolocutor
 Ms. Michele George – Treasurer
 Ms. Judy Robinson – Director of Pensions

ELECTED BY 2007 GENERAL SYNOD:

The Rt. Rev. Cyrus Pitman - E. Nfld. & Labrador
 The Rt. Rev. Rodney Andrews - Saskatoon
 The Ven. David Irving - Kootenay
 The Ven. Ronald Harrison - New Westminster
 Mr. Stephen Koning - Calgary
 Mr. David Embury - Huron

TRUSTEES:

Mr. John Goodwin - Toronto
 Ms. Karen Bleasby - Toronto
 The Rev. Ellie Clitheroe - Niagara
 The Rt. Rev. Philip Poole - Toronto
 Ms. Laura Solomonian - Toronto
 Mr. David Stovel - Toronto

APPOINTED MEMBERS:

Canon Fred Scott - Fredericton
 Canon Carol Throp - B.C.
 The Ven. Bruce Bryant-Scott - B.C.
 The Rev. Alan Perry - Montreal
 The Ven. Michael Rolph - Edmonton

OBSERVERS:

Mr. George Mayo - Toronto
 Mr. David Kidd - Toronto
 Ms. Priscilla Healy - Toronto
 Canon Stephen Adams - Huron
 Ms. Madeleine Gaul - Toronto
 Mr. Bob Boeckner - Toronto
 Mr. Peter Flemming - Nova Scotia & PEI

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**Please note our new address and
 telephone number**

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