



## QUESTIONS AND ANSWERS

### **Q. What is changing and why?**

**A.** The Pension Committee and the Board of Trustees are considering expanding the GSPP to broaden the current membership. If this change is implemented, we expect that the LRP will be discontinued and that LRP participating employers and members will be able to join the GSPP – a stable, well-run pension plan with a more predictable retirement benefit – at the current LRP contribution rate.

The GSPP is in good financial health: significant analysis has been conducted, which shows the plan will remain sustainable well into the future. Participating in the GSPP will offer LRP members:

- Access to a quality pension plan with a strong infrastructure;
- Protection from the uncertainties of market and interest rate movements;
- Experts with a proven track record of performance, making investment decisions for the plan as a whole; and
- Greater security and stability in retirement outcomes.

### **Q. What does it mean for me, as a participating employer, once I join the GSPP?**

**A.** From an administrative point of view, essentially, nothing would change. Your obligation would continue to be to remit contributions and to provide the necessary data. However, with this change, you can be assured that the money you are investing in your employees' retirement will provide a more predictable monthly lifetime pension benefit.

### **Q. What is the difference between the LRP and the GSPP?**

**A.** The LRP is a defined contribution (DC) plan. In a DC plan, the benefits will depend on the member's investment strategy and market conditions throughout the period of investment. The GSPP, on the other hand, operates as a target benefit plan and provides benefits based on a preset formula.

Another key difference is how the investments are managed. In the LRP, members are required to choose and manage their own investments, meaning they are subject to market risk at the individual level. In the GSPP, investment and other risks are pooled and managed professionally with a long-term strategy for the plan as a whole.

### **Q. Why is this change being considered now?**

**A.** In its 2019 Budget, the Ontario government announced it will update the target benefit plan framework to include multi-employer pension plans with participating employers outside of the collective bargaining environment – meaning the Anglican Church Dioceses and other employers in the GSPP will now be properly recognized as participating employers in a target benefit multi-employer pension plan. As a target benefit pension plan, it is expected that the GSPP would be subject to more appropriate funding rules for its structure.

### **Q. What will happen to the amounts already accumulated in the LRP?**

**A.** This change would be implemented on a go-forward basis. Any amounts already earned by members in the LRP will still belong to the individual.

### **Q. What is the anticipated timing?**

**A.** Since General Synod is occurring this year, the Pension Committee and the Board of Trustees felt it was prudent to lay the groundwork now by amending the pension canons. However, we are still waiting for pension legislation and funding rules to be enacted. Rest assured, you will be apprised of any developments as they occur.

### **Q. Where can I direct LRP members who have further questions?**

**A.** Please ask them to contact the **Pension Office at 416-960-2484 or 1-800-265-1070.**