
Pension Office Newsletter

June 2011

The Anglican Church of Canada

Number 14

GENERAL SYNOD PENSION PLAN

Your Pension Committee and the Board of Trustees continue to watch global markets very carefully in order to provide ongoing wise and careful stewardship of resources, as they continue to monitor the General Synod Pension Plan (GSPP) very closely.

While investment markets have improved over the past couple of years, the GSPP has not fully recovered from the losses of 2008 and the reduced investment returns of 2007. Our growing retiree population and aging membership pose additional challenges. The Pension Committee continues to work with the plan's advisors to determine the best way to maintain the highest possible level of financial security for our members. You will be kept informed of the plan's progress on an ongoing basis.

INVESTMENT PERFORMANCE

The market value of the assets of the GSPP at March 31, 2011 was \$577.4 million. The investment returns for the total fund and the benchmark returns are as follows:

	Fund Return	Benchmark
Q1 2011	2.1%	1.9%
1 year	9.8%	10.5%
4 years	1.1%	1.9%
10 years	6.3%	5.0%

LEGISLATIVE UPDATE

As previously reported, over the last number of years, the Trustees and the Actuary have been working hard to have the solvency funding requirement removed for the GSPP. Letters have been written to the Hon. Dwight Duncan, Ontario Minister of Finance, to request that the GSPP be designated as a SOMEPP (Specified Ontario Multi-Employer Pension Plan). If the GSPP is so designated, a solvency deficiency would not require ongoing funding payments.

We recently met with staff of the Ministry of Finance with the purpose of ensuring that the Ministry was aware of the GSPP's unique circumstances when developing new pension law. In the fall of 2010, draft legislation was announced that would result in solvency funding continuing to apply to the GSPP, but removing the requirement from other similar pension plans. We believe we have been heard and await further dialogue.

ACTUARIAL VALUATION

We are required by law to conduct an actuarial valuation of the GSPP no later than August 31, 2011. The previous valuation was conducted as of August 2008. The Trustees have asked the Actuary to monitor the financial position of the GSPP on a monthly basis until August 2011 and make a recommendation on the preferred date of the valuation.

PENSION OFFICE STAFF NEWS

Jennifer Silcox, Pension & Benefits Administrator, took early retirement effective April 15, 2011. Jennifer has been on staff for almost 10 years and her work has been appreciated by the Pension Committee, the diocesan administrators and the plan members. While we are all very happy for Jennifer, she will be missed by her colleagues.

ADMINISTRATION MATTERS

As you are aware, the submission of forms is the documentation we, in the Pension Office, rely upon to update our database so that we have correct data and coverage information on our members. We have noted that a large number of forms that are submitted to this office from the Participating Employers are incomplete. There are also some forms that are submitted directly to this office, such as the Beneficiary Designation form, that are not completed properly. Due to the importance of this documentation, we are requesting that you ensure that all forms are fully completed prior to submission to either your employer or the Pension Office. Please ensure that you have provided complete information on beneficiary designation, your address, dates of birth, etc. and that you have signed the form. Sending forms back for correction causes delay in our records being updated, which may result in your coverage being incorrect.

PENSION OFFICE WEBSITE

The Pension Office website has been redesigned. Go to www.anglicanpension.ca. The website includes lots of information. The members/employers can download the Canons, the Regulations, plan documents, various forms and newsletters, links to GRS, etc.

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 retired members and 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.

CONTINUING EDUCATION PLAN

• **Advanced Income Tax Ruling**

The General Synod lawyer has been dealing for a number of years with Canada Revenue Agency, on our behalf, to get an Advanced Income Tax Ruling concerning the possibility of having the Continuing Education Plan considered as a Not for Profit Organization under the Income Tax Act. We have now received a letter from a Senior Policy Adviser of the Charities Directorate indicating that the Charities Directorate is satisfied that the activities of the Trust, as they are set out in the Canon XII and the Regulations and in the Trust Agreement might well be charitable activities at common law, but only to the extent that

- the training and education is limited to clergy and lay workers employed by the members, and
- each member organization is a registered charity or Qualified Donee, and
- the benefit is not provided to "former" members as set out in the CEP Trust Agreement.

The CEP Trust document was amended

by replacing the words “former employment” with “voluntary, unpaid services”. The plan meets the other two criteria set out by the CRA.

The lawyer has now submitted an application for the CEP Trust to be registered as a charitable organization under the Income Tax Act (Canada). There is no guarantee that we will get this favourable ruling from CRA; however, with this advanced ruling, it is a strong indicator that we will.

- **Administrative Policy**

Canada Revenue Agency (CRA) requires that all funds used in the CEP by the account holders must be for the benefit of the employers. Our administrative policy is that account holders **are not permitted** to use the funds in their account **within three months** of the date of their retirement or termination, in order to satisfy CRA’s requirement.

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.

Contact Us

The Pension Office Corporation
The Anglican Church of Canada
625 Church Street, Suite 401
Toronto, Ontario, M4Y 2G1

Telephone: (416) 960-2484
Toll-free: 1-800-265-1070
Fax: (416) 968-7689

By e-mail: first initial last name
@anglicanpension.ca

PENSION FUND ADVISORS

In early 2011, the Trustees made the following changes:

Fund Managers

- Terminated BlackRock and appointed State Street Global Advisors for a passive fixed income mandate and for dynamic currency hedging
- Terminated AllianceBernstein and appointed Baillie Gifford for a global equity mandate
- Terminated BNP Paribas and appointed Bentall Kennedy for an open-end real estate mandate

Custodian

- Terminated RBC Dexia and appointed State Street Global Services

The Pension Fund Advisors/Mandates as of June 2011 are:

- Letko, Brosseau: *Canadian/Global Equity Mandate*
- State Street Global Advisors: *Enhanced Long Bonds and Dynamic Currency Hedging Mandate*
- Bentall Kennedy: *Open-end and Close-end Real Estate Mandates*
- Baillie Gifford: *Global Alpha Fund Mandate*
- CGOV: *Canadian/Global Equity Mandate*
- Canso Investment: *Corporate Credit Mandate*

- Asset Consultant: Mercer Canada
- Custodian: State Street Global Services
- Actuary: Eckler Ltd.
- Legal Counsel: Ogilvy Renault LLP
- Auditor: BDO Canada LLP

MEMBERSHIP OF THE PENSION COMMITTEE - JUNE 2011

EX-OFFICIO MEMBERS:

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

ELECTED BY 2010 GENERAL SYNOD:

The Rt. Rev. Stephen Andrews - Algoma
 The Rt. Rev. David Irving - Saskatoon
 The Rev. Perry Cooper - C. Nfld.
 The Rev. Canon Alan Perry - Montreal
 Mr. John McBride - Ottawa
 Canon Elizabeth Barnes - E. Nfld. & Labrador

TRUSTEES:

Ms. Karen Bleasby - Toronto
 Mr. Bob Boeckner - Toronto
 Ms. Louise Greig - Toronto
 Ms. Sheryl Kennedy - Toronto
 Mr. Stephen Koning - Calgary
 Ms. Josephine Marks - Toronto
 The Rt. Rev. Philip Poole - Toronto
 Mr. David Stovel - Toronto

APPOINTED BY THE PENSION COMMITTEE:

Canon Fred Scott - Fredericton
 The Ven. Bruce Bryant-Scott - B.C.
 The Ven. Ron Harrison - New Westminster
 Canon Mike Lowery - Brandon

OBSERVERS

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

PENSION OFFICE STAFF

Dafnos, Nancy CEP Administrator	Ext. 216
Davidson, Margaret Manager, Pension & Benefits	Ext. 202
Edgar, Kathy Manager, Finance & Systems	Ext. 206
Francis, Iyona Administrative Assistant	Ext. 200
Hinchcliffe, Evelyn Pension & Benefits Administrator	Ext. 209
Homavazir, Jer Manager, Operational Records	Ext. 204
Honoridez, Emily Fe Senior Accountant	Ext. 214
Kwong, Grace Accounting Officer	Ext. 215
Robinson, Judy Executive Director	Ext. 201
Stricker, Lynda Pension & Benefits Administrator	Ext. 208

Glossary of terms

- **Actuarial Valuation** - An analysis of a plan's financial status. Assets and liabilities are valued to determine whether current assets plus expected future contributions are sufficient to meet benefit obligations. A valuation must be filed with the Financial Services Commission of Ontario at least once every three years.
- **Solvency funding** - the process of making systematic payments into a pension trust fund, or changes to the benefit formula, to eliminate a solvency deficiency.
- **SOMEPP** - Specified Ontario Multi-Employer Pension Plan – a special class of multi-employer pension plans that are not required to fund any solvency shortfalls.