

Pension Office Newsletter

June 2015

The Anglican Church of Canada

Number 18

GENERAL SYNOD PENSION PLAN

The Board of Trustees, the Actuary and the Central Advisory Group continue to address the long term sustainability of the GSPP and the issue of solvency funding relief. They are pursuing all avenues to ensure the long-term safety and security of your pension benefits.

PLAN CHANGES

In order to ensure sustainability of the plan some plan changes were recommended by the Pension Committee and subsequently approved by the Council of General Synod. The Central Advisory Group considered a model that had the effect of eliminating the early retirement subsidies. In this case, a member retiring before his/her normal retirement date would have any pension (earned after the effective date of the change) reduced on an actuarially equivalent basis. This amendment changes the early retirement reductions for pension earned from January 1, 2016 onwards. Pension earned up to December 31, 2015 will continue to be eligible for subsidized early retirement without change. More details about this change are presented in the enclosed letter for all active employees. Inactive and retired employees are not affected by this change.

ACTUARIAL VALUATION

Cameron Hunter, the Actuary, has completed and filed the 2013 Actuarial Valuation. He is in the process of preparing the 2014 Valuation. The following table shows estimated valuation results. Final results will be available in September.

	31-Dec-13 (\$ thousands)	31-Dec-14 (\$ thousands) (estimated)
Annual rate of return (net of expenses)	18.28%	11.3%
Going concern excess / (deficiency)	(21,330)	15,547
Going concern funded ratio	96.6%	102.4%
Solvency excess / (deficiency)	(152,580)	(146,766)
Wind-up excess / (deficiency)	(72,801)	(118,803)
Transfer ratio	90.4%	86.5%

The transfer ratio is based on the wind-up valuation (see glossary).

INVESTMENT PERFORMANCE

As of March 31, 2015, the market value of GSPP assets was \$791.2 million. The investment returns for the total fund and the benchmark returns are shown below. "Benchmarks" are established measurements used in the investment industry to evaluate performance. Our investment returns have consistently ranked in the top 25% of similarly invested pension funds.

	Fund Return	Benchmark
Q1 2015	7.2%	7.3%
1 Year	15.3%	16.1%
4 Years	13.2%	11.1%
10 Years	8.5%	7.6%

ACKNOWLEDGEMENT

The Pension Committee members learned with sadness of the passing of:

- George Mayo who had served as a member of the Pension Committee and the Board of Trustees from June 1985 to June 1998. He was also a member of the CAG from April 1976 until his passing.
- The Right Reverend Charles Robert Townshend who was a member of the Council of General Synod and chair of the General Synod Administration and Finance Committee and the Pension Committee. He was a member of the Pension Committee from June 1992 to June 1998.

GOVERNANCE REVIEW

In August 2014, a governance review was completed by Koskie Minsky LLP. The governance review, its conclusions and recommendations were discussed with the Chancellor of General Synod, who supported them when they were presented to the Council of General Synod in November 2014.

PENSION OFFICE STAFF NEWS

Zenaida Bandola lost her fight with breast cancer at the end of August 2014. Zenaida's death has touched us all very deeply.

Jomarie Villaverde joined our staff effective February 2015 in the position of Staff Accountant.

PENSION OFFICE WEBSITE

The Pension Office website is:
www.anglicanpension.ca.

The website contains information on Canons, Regulations, plan documents, various forms, newsletters, financial statements, and links to Group Retirement Services (the Lay Retirement Plan and the Group Registered Retirement Savings Plan record keeper) which members and employers can access.

ENDOWMENT FUNDS

Over the past number of years, various donations and gifts have been made to the Endowment Committee of the Pension Committee with the request that they be used to supplement the pensions of retired members and the spouses of retired members. As of December 31, 2014, the market value of the Endowment Funds totaled \$3,691,892, and the one year returns were 8.9%. As of March 1, 2007, the assets of the Endowment Funds are invested with Letko Brosseau Pooled Funds.

In addition to making cash donations to the Endowment Funds, it is also 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 that have been given to the Endowment Funds.

If you have any questions, please do not hesitate to call the Pension Office.

CONTINUING EDUCATION PLAN

Administrative Policy

- At the 2014 fall meeting of the CEP Unit it was agreed that the Bonus for Use be reinstated at 5% for 2015. The Unit will review the financial status of the plan annually.
- Canada Revenue Agency (CRA) requires that all funds used in the Continuing Education Plan by the account holders must be for the benefit of the employer. As long as the expenditure confers a benefit to the employer, with the approval of the supervisor, the employee may use the balance of the funds in the account to offset the cost of any continuing education program or course of study, books related to educational development, or related computer hardware or software.
- An employee is not permitted to use the funds in his/her account within three months of the date of retirement or termination.
- When an employee ceases employment, the account will be frozen for a period of twelve months. In the event of a return to work with a participating diocese/employer within twelve months, the account will be reactivated at the level it was upon leaving. After twelve months, a return to work will result in a new account being established with a zero starting balance.

Updated forms are available on the Pension Office website:
www.anglicanpension.ca.

You may visit CEP Online
<http://cep.anglican.ca> for continuing education opportunities.

SAVINGS PLANS

Through the record-keeper of the Lay Retirement Plan (LRP), Group Retirement Services of Great West Life, optional savings plans are available by payroll deduction. Two types of plans are available, a group RRSP and a group TFSA. The investment options are identical to those available under the LRP. An enrollment kit and forms are provided in paper or online at www.anglicanpension.ca

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.

If you have any questions about the plan's funded status or the solvency relief provisions, please contact the Pension Office.

**The Pension Office Corporation
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Toronto, ON, M4Y 2G1, Canada**

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

Email: inquiry@anglicanpension.ca

General Synod Pension Plan Registration #0345777

PENSION FUND ADVISORS

The Pension Fund Advisors/Mandates as of May 2015 are:

- **Letko Brosseau:** Canadian/Global Equity Mandate
- **Philips Hager & North:** Enhanced Long Bonds
- **Macquarie:** Infrastructure Investment
- **Greystone:** Real Estate 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:** Koskie Minsky LLP
- **Auditor:** BDO Canada LLP

GLOSSARY OF TERMS

Actuarial Valuation - The 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.

Going Concern Valuation - The measurement of the financial position of a pension plan assuming that the Plan will continue indefinitely.

Wind-up Valuation - Determines the financial position of the Plan if it were wound up on the valuation date (prepared for information purposes only).

Solvency Valuation - Same as wind-up valuation except used to determine Plan funding. It includes the total value of any going-concern special payments required over the next five 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.

Transfer Ratio - This is the ratio of the wind-up assets to the wind-up liabilities.

MEMBERSHIP OF THE PENSION COMMITTEE – JUNE 2015

EX-OFFICIO MEMBERS:

The Most Rev. Fred Hiltz - Primate
The Ven. Michael Thompson - General Secretary
The Ven. Harry Huskins - Prolocutor
Ms. Hanna Goschy - Treasurer
Ms. Judy Robinson - Executive Director of Pensions

ELECTED BY 2013 GENERAL SYNOD:

The Rt. Rev. Stephen Andrews - Algoma
The Rt. Rev. David Irving - Saskatoon
The Rev. Perry Cooper - C. Nfld.
The Rev. Canon Bruce Bryant-Scott - B.C.
Ms. Jane Osler- New Westminster
Ms. Sharon White - Niagara

TRUSTEES:

Ms. Karen McRae - 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:

The Ven. David Selzer - Ottawa
The Rev. Todd Townshend - Huron
Mr. Michael Attwood - Toronto
The Ven. Alan Perry - Edmonton
Canon Mike Lowery - Brandon

OBSERVERS:

Mr. Peter Flemming - Nova Scotia & PEI
Ms. Priscilla Healy - Toronto
Mr. David Kidd - Toronto
Ms. Jane Mesich - Algoma
Ms. Sharon Chandler - Toronto
The Rev. Richard Dentinger - Toronto

PENSION OFFICE STAFF

Robinson, Judy Executive Director	Ext. 201
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Bernard, Sonia Office Administrator	Ext. 203
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Menon, Rekha Records Management Officer	Ext. 207
Stricker, Lynda Pension & Benefits Administrator	Ext. 208
Hinchcliffe, Evelyn Pension & Benefits Administrator	Ext. 209
Francis, Lyona Benefits & CEP Administrator	Ext. 210
Honoridez, Emily Fe Accounting Officer	Ext. 214
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