



PENSION PLAN UPDATE

Proposed changes to the LRP and the GSPP, and what they mean for you

As a member of the Lay Retirement Plan (LRP), this update is to inform you that the Pension Committee and the Board of Trustees have proposed to General Synod some changes to the LRP and the General Synod Pension Plan (GSPP).

If these changes are implemented, the Pension Committee expects that your employer will participate in the GSPP – a stable, well-run pension plan with a more predictable retirement benefit – with greater flexibility on contribution levels.

This would not impact your benefits earned in the LRP before the changes are implemented.

Advantages for LRP Members

The Pension Committee, Board of Trustees and House of Bishops believe the GSPP will offer LRP members:

- Access to a quality pension plan with a strong infrastructure and low administration costs;
- 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.

GSPP versus LRP: What's the Difference?

LRP members today participate in a defined contribution (DC) plan, meaning the contributions going into the plan are fixed, and the benefits will depend on the member's account balance and market conditions.

In contrast, the GSPP provides a predictable monthly lifetime pension in retirement, based on a preset formula. The GSPP is in good financial health: significant analysis has been conducted, which shows the plan will remain sustainable well into the future.

What Happens Next

Making these proposed changes requires amendments to the pension canons, proposed at General Synod in July 2019. In its 2019 Budget, the Ontario government announced it will update the target benefit plan framework, allowing the Anglican Church Dioceses and other employers in the GSPP to 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.

With General Synod occurring this year, the Pension Committee and the Board of Trustees felt it was prudent to lay the groundwork now. The actual timing will depend on when the appropriate pension legislation is enacted.

Rest assured, you will be apprised of new developments as they occur. For more information, you will find some questions and answers posted on the Pension Office website, which will be updated as we move forward.

In the meantime, if you have any questions, please contact the **Pension Office at 416-960-2484 or 1-800-265-1070.**