

Your update from the Pension Office

Announcing improvements to our growing plan

Your General Synod Pension Plan (GSPP) Trustees and Pension Office are pleased to share that pensions earned in the GSPP remain stable – despite 2022 being a volatile economic year for most investors across the globe.

Why? Because your pension amount is based on a formula, it's not affected by short-term fluctuations in investment markets. What's more, your GSPP Trustees and Pension Committee prudently manage the plan and take a diversified, long-term investment approach.

GSPP changes – effective July 1, 2023

Increase for all pensions

The GSPP pension that you've already earned remains stable – and now, due to the plan's healthy financial position, starting July 1, 2023, a 2% increase will be applied to the pension you earned up to December 31, 2022.*



This increase applies to all members: active, inactive, and retired.



If you are retired, you will see an adjustment to your monthly payment amount starting in July.

*Applicable to former LRP members: The pension increase at July 1, 2023 will also be applied to any additional pension that you purchased in the GSPP with your LRP account balance, if the balance was transferred prior to December 31, 2022.

For unpartnered members at retirement: guaranteed benefits paid to your beneficiary(ies)

If, at retirement, you don't have a partner, the GSPP will now automatically provide a 10-year guarantee. If you pass away within 10 years of the date you retire, your beneficiary(ies) receives the lump sum equivalent of what remains of your first 120 monthly pension payments.

If you've been receiving a pension for less than 10 years and didn't have a partner at retirement, you will receive a beneficiary form to complete in respect of this guarantee period.

Opening our doors to former LRP members

Last year, almost 1,000 former members of the Lay Retirement Plan (LRP), which is a defined contribution plan, joined the GSPP. Now that they are members of the GSPP, they benefit from the financial security of participating in a high-quality pension plan, earning a predictable lifetime pension in retirement based on a pre-set formula. Growth is good for the GSPP, for economies of scale and long-term sustainability. Our recent expansion has increased active plan membership by about 40%.

Introducing our new Executive Director – Rekha Menon

Earlier this year, your Board of Trustees announced Rekha Menon as Executive Director of both the GSPP and The Pension Office Corporation of the Anglican Church of Canada.

While Rekha is new to the role, she's been a valued member of the Pension Office for more than a decade – and most recently, acted as Deputy Director and Compliance Officer of the GSPP.

Please extend a warm welcome to Rekha as we work together to maintain the GSPP's strong financial position and first-rate service for members and participating employers.

Pensioners

Want to know what your new monthly pension amount will be?

A remittance statement will be mailed to you in July.

Questions?

Call us at 416-960-2484
or 1-800-265-1070 (toll free),
or email

inquiry@anglicanpension.ca

Pension fund performance

The GSPP investments have performed very well in recent years, as seen by the numbers below.

Market value of GSPP assets

YEAR ENDING DECEMBER 31, 2022
\$995 MILLION
Q1 2023 – MARCH 31, 2023
\$1.031 billion

Investment returns for period ending December 31, 2022

1 YEAR
-7.78%
BENCHMARK
-12.72%

4 YEARS
7.81%
BENCHMARK
5.89%

10 YEARS
9.06%
BENCHMARK
7.15%

Throughout 2022, the global markets were volatile – with negative returns across most major asset classes. However, despite the market’s ups and downs, the GSPP’s prudent investment strategy and well-diversified portfolio provided stability and enabled the plan to stay in a healthy position. The GSPP’s investments continue to outperform benchmarks.

The GSPP’s financial health

The financial health of our pension plan is measured through valuations that must be conducted and filed with the Financial Services Regulatory Authority of Ontario at least once every three years.

Our most recent valuation was filed as at January 1, 2020. Our actuarial consultants subsequently estimated results on December 31, 2022.

	January 1, 2020	December 31, 2022 (estimated)
Going concern excess / (deficiency)	\$221,024,000	\$231,153,000
Going concern funded ratio	132.9%	129%
Transfer ratio*	97.7%	109%

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

The next valuation will be as at December 31, 2022. Our actuarial consultants are in the process of preparing the valuation.

As a specified Ontario multi-employer pension plan (SOMEPP) since January 1, 2020, the plan:

- ✔ No longer requires a special exemption from solvency funding requirements,
- ✔ Is funded on a going concern basis, and
- ✔ May improve benefits based on health of plan and funding policy guidance.

While we wait for new permanent funding rules applicable to current SOMEPPs, any previously required solvency funding is technically deferred until 2024, but deferred contributions are expected to be eliminated under the permanent framework. The Ontario Ministry of Finance recently released a proposed framework with a target effective date in 2024, which was open for consultation until June 30, 2023. As an engaged stakeholder, the GSPP submitted comments on some of the proposed provisions to ensure the framework promotes the long-term sustainability of plans like the GSPP and permits meaningful pensions to be provided to GSPP members.

Environmental, Social & Governance (ESG)

The Trustees have a fiduciary duty to make decisions in the best interests of the plan's beneficiaries and they play a pivotal role in the decision-making process on the strategic direction of the Pension Fund. They believe in responsible investing, an approach to investing that aims to incorporate ESG factors into investment decisions to better manage risk and to generate sustainable long-term returns for the Fund and plan beneficiaries. This includes investing in opportunities that can obtain the highest return for the Fund, subject to acceptable levels of risk. When the Trustees meet with investment managers, they discuss (among other considerations) the investment manager's process for evaluating and integrating ESG issues in investment decisions, the investment manager's ESG policies, as well as details regarding related ESG activities, including research and engagement with companies. The Pension Fund's investment managers take ESG issues seriously.

As reported in previous newsletters, the Trustees continue to follow recent developments and decisions in both the corporate and Church worlds with regard to ESG issues. In recent years in particular, increased attention has been focused on considering ESG issues in the management of our Pension Plan investments.

Non-pension funds

Market value of investments

December 31, 2022

(PH&N – RBC Global Asset Management Inc)

The Anglican Church of Canada	Market value
Long-Term Disability Plan	\$1,672,412
Self-Insured Death Benefit Plan	\$4,542,672
Endowment Plan	\$5,079,951
Continuing Education Plan	\$7,043,608



Group benefits with Manulife

Are you registered for the plan member site? Did you know you can file your health benefits claims online?

It's easy to do and payments are made directly to your bank account, usually in just a few days. Take a few minutes and register now – you'll be glad you did!

Simply go to www.manulife.ca/signin and follow the instructions to register.

Did you know?

If you're looking for information or pension resources, try the Pension Office website: <http://www.anglicanpension.ca/>.

You'll find:

Canons

Regulations

Plan documents

Various forms

Newsletters

Financial statements

A NOTE ON CONFIDENTIALITY

We have developed a portal for exchanging documents to provide enhanced security for personal data.

If you need to send documents that include sensitive and confidential information, we can get you set up on the portal. Please contact us at inquiry@anglicanpension.ca.

Please do not communicate any confidential information via email.



Anglican Church of Canada
Continuing Education Plan

Interested in exploring continuing education opportunities?

Visit <http://cep.anglican.ca/>

OR: Find forms on the Pension Office website: <http://www.anglicanpension.ca/>

CEP administrative policy – highlights

- ✔ Canada Revenue Agency (CRA) requires that all funds used in the Continuing Education Plan (CEP) 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 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 the three months prior to the date of retirement or termination.
- ✔ The budget allocation for Sabbatical Grants was increased to \$100,000 (20 grants of \$5,000 each), effective January 1, 2022.
- ✔ In the years 2020 and 2021, a decision was made to waive the expiry of salary source account as these were extraordinary years to conduct group training. The one-year extension granted for the expiry of the salary source grant has been stopped. Allocated funds that are not used within 5 years to be placed back into the Continuing Education Plan fund and used to support sabbatical grants and other benefits.



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 or the surviving partners of retired members.

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 are given to the Endowment Funds.

AS OF DECEMBER 31, 2022

\$5,079,951

MARKET VALUE OF
ENDOWMENT FUNDS

Pension fund advisors

Bentall GreenOak Real Estate	Neuberger Berman Private Debt	Baillie Gifford Global Equity	Custodian CIBC Mellon
TD Greystone Real Estate	Canso Investment Corporate Credit	Robeco Low Volatile Equity	Actuary Eckler Ltd.
Macquarie Infrastructure	Letko Brosseau Canadian & Global Equity	CIBC Asset Management Currency Hedging	Legal Counsel Koskie Minsky LLP
Philips Hager & North Enhanced Long Bonds	Fiera CGOV Canadian & Global Equity	Asset Consultant Mercer Canada	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 Regulatory Authority 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, since it is used to determine plan funding, certain adjustments are permitted. Adjustments include the current value of any going-concern special payments required over the next five years along with smoothing asset values and the liability interest assumption.

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

Ratio of wind-up assets to wind-up liabilities.

Pension Office staff

The Pension Office continues to provide day-to-day processes with minimal delays – to ensure there are no interruptions to your pension and benefit payments.

Your Pension Office Staff

Menon, Rekha Executive Director	Ext. 201
Davidson, Margaret Manager, Pension & Benefits	Ext. 202
Bernard, Sonia CEP & Office Administrator	Ext. 203
Edgar, Kathy Manager, Finance & Systems	Ext. 206
Stricker, Lynda Pension & Benefits Administrator	Ext. 208
Dizon, Rebecca Benefits Administrator	Ext. 209
Chaudhary, Nikeeta Pension & Benefits Administrator	Ext. 210
Honoridez, Emily Fe Accounting Officer	Ext. 214
Villaverde, Jomarie Staff Accountant	Ext. 218
Ng, Yvonne Pension & Benefits Administrator	Ext. 219
Dave, Unnati Junior Compliance Officer	Ext. 239

Email: first initial last name @anglicanpension.ca

Pension Committee

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.

EX-OFFICIO MEMBERS

The Most Rev. Linda Nicholls – Primate
The Ven. Alan Perry – General Secretary
Ms. Amal Attia – Treasurer
The Rev. Dr. Karen Egan – Prolocutor
Ms. Rekha Menon – Director of Pensions

ELECTED BY 2019 GENERAL SYNOD

The Rt. Rev. Mary Irwin-Gibson – Montreal
The Rt. Rev. Geoffrey Woodcroft – Rupert's Land
The Ven. David Selzer – Ottawa
Mr. Robert Dickson – New Westminster
Ms. Joyce Badley – Toronto

TRUSTEES

Ms. Josephine Marks – Toronto
Mr. Bob Boeckner – Toronto
Mr. Jordan N. Fremont – Toronto
Ms. Sheryl Kennedy – Toronto
Mr. Stephen Koning – B.C.
The Rt. Rev. William Cliff – Brandon
Mr. Simon Segall – Toronto
Mr. Ted Ecclestone – Toronto

APPOINTED BY THE PENSION COMMITTEE

The Rt. Rev. Samuel Rose – E. Nfld & Labrador
The Rt. Rev. Todd Townshend – Huron
Mr. Michael Attwood – Toronto
The Very Rev. Peter Elliott – New Westminster
The Ven. Travis Enright – Edmonton

OBSERVERS

Ms. Jane Mesich – Algoma
Ms. Sharon Chandler – Toronto
Ms. Sharon White – Niagara
Ms. Anne Layton – Toronto
Mr. Gary Goddard – Ottawa
The Rev. Fred Marshall – E. Nfld & Labrador
Mr. Paul Christiani – Toronto

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

Pension Office website:
www.anglicanpension.ca

Questions? Life events?
Need to update your information?

Please let us know! Call, or email
inquiry@anglicanpension.ca

In addition to maintaining records for pension purposes, the Pension Office maintains your address, dependants list and coordination of benefits information for Manulife benefits purposes. Please notify us directly or through your employer if you need to make any updates.