

Pension benefit improvements – starting July 1

As we reach the mid-point of 2021, we look back at 2020 and the changes that Covid-19 brought to us all, in so many ways. Through it all, the General Synod Pension Plan (GSPP) continues to be in a very healthy position – **140% funded** on a going concern basis.

The plan assets earned a **13.5% rate of return in 2020**. The financial markets may be uncertain, but the GSPP is designed for the long term. Keep in mind that the amount of your GSPP pension is based on a formula and is not affected by short-term fluctuations in investment markets.

Benefit improvements

With the long-term financial strength of the plan and the removal of temporary funding rules, the Pension Committee and Trustees are able to make a number of improvements to the GSPP's benefits. The changes are being made prudently, and to balance the benefit to you with the ongoing financial health of the plan. Even after the improvements, the plan will still be funded at an estimated 130%.

Here's what's changing, starting July 1, 2021

Whether you're retired, or will retire in the future, one, two or all three improvements may be relevant to you.

****NOTE for pensioners****

In July, you will be mailed a remittance statement to let you know what your new monthly pension amount will be.

Keep this newsletter to help you understand the increase.

1

Unreduced pension after 35 years of service

The unreduced early retirement provision at 35 years of service will be applied to *all* service

- Before this, pensions earned after 2015 were unreduced with 40 years of service.
- If you retired after 2015, your pension earned after 2015 may be increased to reflect this change.
- Applies to active and retired members.

2

Increased accrual rates between 2010 and 2020

Accruals during this period will be increased from 1.8% to 2% of salary

- If you retired after 2009, your pension will be increased to reflect this change.
- Applies to active, inactive, and retired members.

3

Increase for all pensions earned by the end of 2020

A 5% increase will be applied to your pension earned up to December 31, 2020

- Applies to all members, active, inactive, and retired.
- If you are retired, you will see an adjustment in your monthly payment amount.

Questions? Call us at 416-960-2484 or 1-800-265-1070 (toll free), or email inquiry@anglicanpension.ca.

IMPORTANT: The numbers shown in your enclosed 2020 annual pension statement do not reflect these new improvements because they start in July 2021. You will see the improvements reflected in your pension amounts on your 2021 annual pension statement next year.

GSPP expansion for LRP members

On January 1, 2022, we will officially welcome Participating Employers of the Lay Retirement Plan (LRP) and their members to the GSPP!

In other updates over the past few years, we've discussed expansion of the GSPP and reasons why it makes sense for the plan, such as:

- Building a broader membership base with more contributions to the plan;
- Economies of scale in plan administration and investment fees, due to a larger asset base; and
- An opportunity to bring more of the Anglican community into one strong and valuable pension plan.

It's important to know that **for GSPP members, nothing about your pension will change**. We are also continuing to explore opportunities with other groups and will keep you updated.

Group RRSP and TFSA savings plans

An important update

Because of the upcoming integration of the LRP with the GSPP, the Group Retirement Services with Canada Life will no longer apply. That means the current group fee rates available in the group RRSP and a group TFSA are no longer available after 2021.

If this applies to you, watch for your Q2 statement from Canada Life. It will have information on how you can manage your account and continue to save with Canada Life or another investment provider.

Pension fund performance

Since the market dip in March 2020, the GSPP has seen very strong returns that continued into the first quarter of 2021. In fact, the one-year return from April 1, 2020 to March 31, 2021 was 26.7%.

We continue to actively monitor global markets and the GSPP portfolio.

Market value of GSPP assets

YEAR ENDING DECEMBER 31, 2020

\$1.029 billion

Q1 2021 – MARCH 31, 2021
\$1.027 billion

Investment returns

for period ending December 31, 2020

1 YEAR
13.5%

BENCHMARK
12.1%

4 YEARS
10.0%

BENCHMARK
9.4%

10 YEARS
10.4%

BENCHMARK
9.1%

A NOTE ON PLAN MEMBER CONFIDENTIALITY

We are currently developing a portal for exchanging documents that will provide enhanced security for personal data.

It should be completed soon, and we'll let you know more about it on the Pension Office website.

Until then, **please do not** communicate any confidential information by **email**, such as forms that may contain personal or confidential information.

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 at January 1, 2020. Our actuarial consultants subsequently estimated results on December 31, 2020.

	January 1, 2020 (thousands)	December 31, 2020 estimated (thousands)
Annual rate of return (net of expenses)	15.5%	12.9%
Going concern excess / (deficiency)	\$221,024	\$271,800
Going concern funded ratio	132.9%	140%
Transfer ratio*	97.7%	102%

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

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
- is no longer restricted from improving benefits.

While we wait for new permanent funding rules applicable to SOMEPPs, any previously required solvency funding is technically deferred until 2024. The formal actuarial valuation as of January 1, 2020 was conducted with SOMEPP funding rules applied.

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.

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 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 regards to environmental, social and governance (ESG) issues.

Non-pension funds

Market value of investments

December 31, 2020

(PH&N – RBC Global Asset Management Inc)

The Anglican Church of Canada	Market value
Long Term Disability Plan	\$1,955,089
Self Insured Death Benefit Plan	\$4,442,711
Endowment Plan	\$5,937,234
Continuing Education Plan	\$6,482,756



Did you know?

If you're looking for information or pension resources... try the Pension Office website at www.anglicanpension.ca

Including:

- Canons
- Regulations
- Plan documents
- Various forms
- Newsletters
- Financial statements

Group benefits with Manulife

Are you filing 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!

1. Go to www.manulife.ca/signin and select **Register now**.
2. Follow the instructions and select **Submit**.



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: 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 CEP has previously permitted non-stipendiary (unpaid) clergy to participate in the plan. In addition to this, effective January 1, 2021, lay non-stipendiary are also eligible to be enrolled under CEP. The minimum hours requirement is reduced to 25% (10 hours) from 50% (20 hours).
- The expiry of salary source account was waived for 2020. No unused funds allocated in 2016 which would have expired at the end of 2020 will be lost. Allocated funds that are not used within 5 years are usually placed back into the Continuing Education Plan fund and used to support sabbatical grants and other benefits. However, in 2020, the decision was made to waive the expiry as it was an extraordinary year to conduct group training.

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, 2020

\$5,937,234

MARKET VALUE OF
ENDOWMENT 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 are given to the Endowment Funds.

Pension fund advisors

Bentall GreenOak

Real Estate

TD Greystone

Real Estate

Macquarie

Infrastructure

Philips Hager & North

Enhanced Long Bonds

Neuberger Berman

Private Debt

Canso Investment

Corporate Credit

Letko Brosseau

Canadian & Global Equity

Fiera CGOV

Canadian & Global Equity

Baillie Gifford

Global Equity

Robeco

Low Volatile Equity

CIBC Asset Management

Currency Hedging

Asset Consultant

Mercer Canada

Custodian

CIBC Mellon

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 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 news

- Sandra Squires has joined the Pension Office staff as Benefits Administrator. Sandra has taken over the responsibilities of processing CEP claims and new enrollments for pension and benefits.
- Nikeeta, who was previously handling the processing of CEP claims is moving to a new role as Pension and Benefits Administrator.
- Rekha Menon was appointed Deputy Director, effective January 1, 2021.



Pension Office staff

Although often working remotely throughout the pandemic, the Pension Office staff continues day-to-day processes with minimal delays – to ensure there are no interruptions to your pension and benefit payments.

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. Hanna Goschy – Treasurer
The Rev. Dr. Karen Egan – Prolocutor
Ms. Judy Robinson – 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
Mrs. 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. Philip Poole – Toronto
Mr. David Stovel – Toronto
The Rt. Rev. William Cliff – Brandon
Mr. Simon Segall – 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
Mr. Glen Greencorn – Nova Scotia
Ms. Anne Layton – Toronto

Your Pension Office Staff

Robinson, Judy Executive Director	Ext. 201
Davidson, Margaret Manager, Pension & Benefits	Ext. 202
Bernard, Sonia Office Administrator	Ext. 203
Edgar, Kathy Manager, Finance & Systems	Ext. 206
Menon, Rekha Deputy Director	Ext. 207
Stricker, Lynda Pension & Benefits Administrator	Ext. 208
Sandra Squires Benefits Administrator	Ext. 209
Mistry, 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

Email: first initial last name @anglicanpension.ca

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

**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**

The Pension Office maintains your address, dependants list and coordination of benefits information. Please notify us directly or through your employer if you need to make any updates.