



Non-Academic Pension Plan

ANNUAL NEWSLETTER TO MEMBERSHIP

JUNE 2020

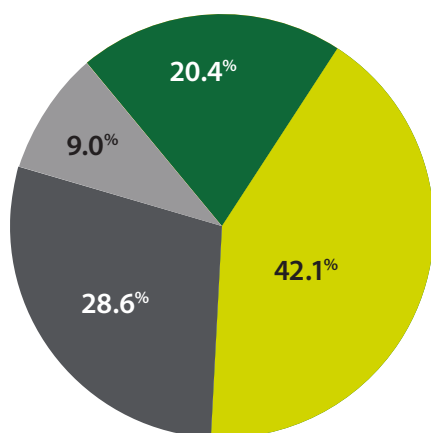


THE PRIMARY PURPOSE OF THIS NEWSLETTER IS:

- to review the actuarial valuation information and contribution requirements of the Non Academic Pension Plan as at December 31, 2019
- to review investments and investment performance of the Plan in 2019

Pension Plan Information at December 31, 2019

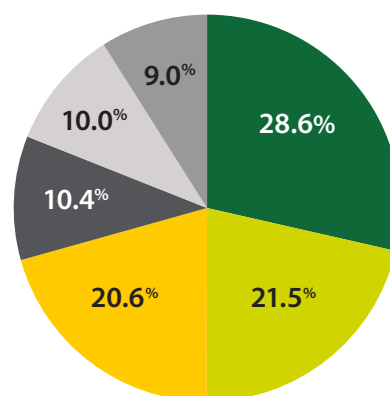
MARKET VALUE OF PENSION PLAN ASSETS



Asset Classes	2019
Canadian Equities	\$79,904,000
US and Global Equities	\$165,192,000
Total Equities	\$245,096,000
Bonds	\$112,076,000
Real Estate	\$35,250,000
Total Fixed Income	\$147,326,000
Total Market Value	\$392,422,000

Distribution of Assets Among Investment Managers

Investment Manager	2019
Phillips, Hager & North Investment Management	\$112,076,000
Sprucegrove Investment Management	\$84,239,000
Harding Loevner	\$80,953,000
Connor, Clark & Lunn Financial	\$40,668,000
Burgundy Asset Management	\$39,236,000
TD Greystone Managed Investments	\$35,250,000



INVESTMENT PERFORMANCE

The long-term investment goal of the Plan is to achieve a minimum annualized rate of return of 3.75% in excess of the Canadian Consumer Price Index. To achieve this goal, the Plan has adopted an asset mix that has a bias in favour of equity investments.

The responsibility for investing the assets of the Plan has been delegated to six professional investment fund managers with different mandates to ensure adequate investment diversification.

The Plan's Return Benchmark is a performance standard developed by the Investment Consultant, Aon. The Board of Governors have approved the benchmark. The investment fund managers of the Plan are expected to meet or surpass the benchmark.

Investment Performance	2019	2018	2017	2016	Last 4 years	Last 10 years
Plan Return*	15.1%	-1.9%	10.5%	9.6%	8.1%	8.4%
Plan return Benchmark	15.7%	-1.1%	8.7%	6.5%	7.3%	8.1%
Consumer Price Index	2.2%	2.0%	1.9%	1.5%	1.9%	1.7%

*Gross of fees

Actuarial Valuation at December 31, 2019

MEMBERSHIP DATA

Active Members



1,200

Pensioners and Beneficiaries



1,066

Other Members
(deferred, pending transfers, transfer deficiency holdbacks)



232

Total Membership



2,498



GOING-CONCERN FINANCIAL POSITION OF THE PLAN

The financial position of the Plan on a going-concern basis is measured by comparing the market value of assets to the actuarial liabilities assuming the Plan is continuing for the long-term.

The following table outlines the results of the actuarial valuation performed as at December 31, 2019, using a 5% margin. Comparative numbers as at December 31, 2018 are also provided.

Going-Concern Financial Position	2019	2018
Actuarial value of assets	\$395,337,500	\$360,109,400
Actuarial liability	\$398,875,400	383,249,400
Surplus (Deficit)	\$(3,537,900)	\$(23,140,000)
Funded Ratio	0.99	0.94

CONTRIBUTION AND FUNDING REQUIREMENTS

The plan last filed a valuation report with the regulators at December 31, 2019. Total special payments being paid by the university for the deficits are show in the following table:

Required Contributions <small>Going-concern deficit (unfunded liability) payments</small>	Monthly	Annual
December 31, 2012 valuation	\$23,600	\$283,200
December 31, 2016 valuation	\$40,200	\$482,400
Total Special Payments	\$63,800	\$765,600

HYPOTHETICAL WIND-UP (SOLVENCY) POSITION OF THE PLAN

The Pension Benefits Act (Saskatchewan) requires the University to review whether the assets of the Plan would be sufficient to cover the liabilities of the Plan in the event of a plan wind-up and is required for transfer deficiency hold back when plan members leave the university (see page 5). The following table outlines the wind-up position of the plan at December 31, 2019. Comparative numbers as at December 31, 2018 are also provided.

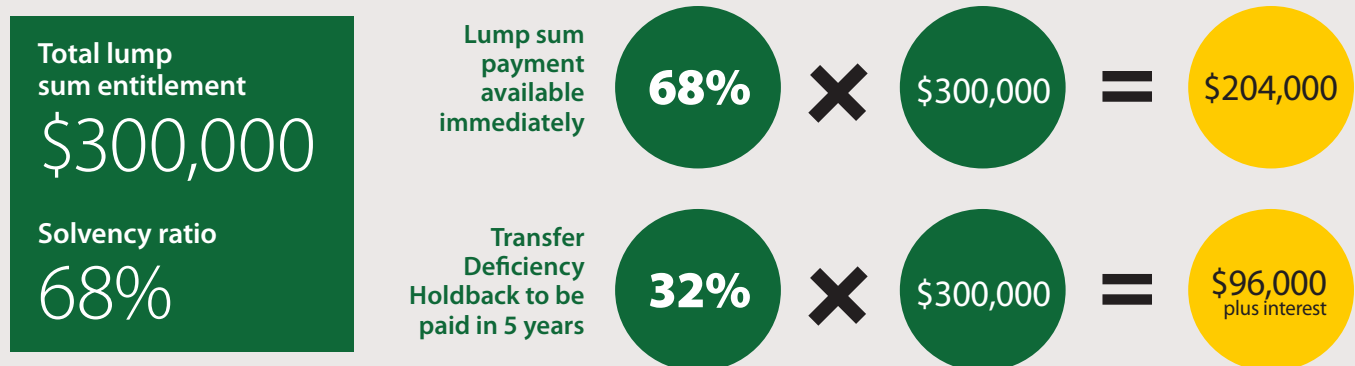
Hypothetical Wind-Up Financial Position	2019	2018
Actuarial value of assets	\$394,837,500	\$359,609,400
Actuarial liability	\$578,511,700	\$528,488,000
Surplus (Deficit)	\$(183,674,200)	\$(168,878,600)
Solvency ratio (assets/liabilities)	68%	68%

TRANSFER DEFICIENCY REQUIREMENTS

As the Plan has a solvency ratio of **68%** (determined in the last filed valuation at December 31, 2019), it is necessary to withhold **32%** of any lump-sum payments. The amount withheld, referred to as the “transfer deficiency”, will be paid out with interest at the end of the five-year period following the date of original pay-out (or earlier in the event of plan surplus). This provision does not impact members retiring and commencing a pension from the Plan.

TRANSFER DEFICIENCY PAYOUT EXAMPLE

Applies to individuals who terminate employment and elect to transfer the lump sum value of their entitlement out of the Plan.



Non-Academic Pension Plan Information

PLAN DOCUMENTS

Copies of the following documents are on file in the Pension and Benefits office. They are available for inspection by any member of the Plan during regular working hours by prior arrangements.

- Plan Text
- Financial Statements
- Actuarial Reports
- Auditor's Report

OTHER AGENTS OF THE PLAN

Actuary: Aon , Saskatoon
Investment Consultant: Aon , Vancouver
Custodian: CIBC Mellon

USASK PENSION



PENSION ADMINISTRATION AND SUPPORT

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