



## Retirees Pension Plan

ANNUAL REPORT TO MEMBERSHIP

JULY 2019

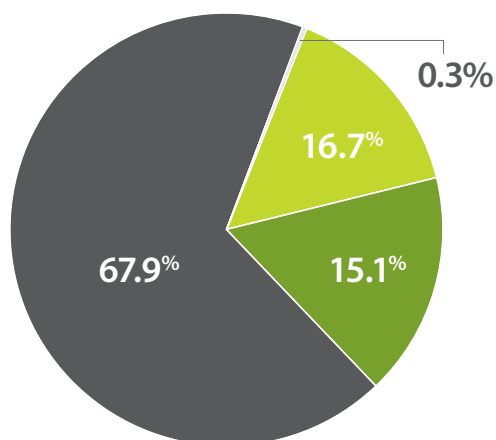


The primary purpose of this report is:

- to review the actuarial valuation information and special payment requirements of the Retirees Pension Plan as at December 31, 2018
- to review investments and investment performance of the Plan in 2018

# Pension Plan Information at December 31, 2018

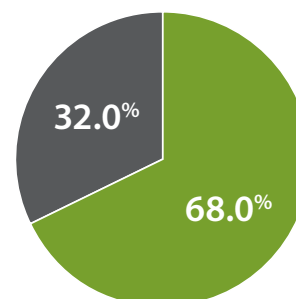
## MARKET VALUE OF PENSION PLAN ASSETS



Asset Classes	2018
Canadian Equities	\$3,217,000
Non Canadian Equities	\$3,563,000
<b>Total Equities</b>	<b>\$6,780,000</b>
Bonds and Mortgages	\$14,414,000
Short-term Investments	\$25,000
<b>Total Fixed Income</b>	<b>\$14,439,000</b>
<b>Total Market Value</b>	<b>\$21,219,000</b>

## Distribution of Assets Among Investment Managers

Investment Manager	2018
Greystone Managed Investments	\$14,414,000
Jarislowsky Fraser Limited	\$6,780,000



## 2018 CHANGES IN MARKET VALUE

Adjusted market value at beginning of year	\$24,419,000
Employer contributions	\$1,019,000
Realized/Unrealized capital gains/(losses)	(\$260,000)
Interest income	\$314,000
Dividends	\$133,000
Pension and benefit payments	(\$4,094,000)
Investment management expenses	(\$102,000)
Non-investment expenses	(\$55,000)
<b>Adjusted market value at end of year</b>	<b>\$21,374,000</b>

## INVESTMENT PERFORMANCE

The long-term investment goal of the Plan is to achieve an annualized total rate of return of a least 3.60%. To achieve this goal, the Plan has adopted an asset mix that has a bias in favour of fixed income investments, and uses a custom liability matching bond strategy. The Plan's asset mix is designed to be 70% custom bonds and 30% equities.

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

<b>Investment Performance</b>	<b>2018</b>	<b>Last 4 years</b>	<b>Last 10 years</b>
Plan return (gross)	0.8%	4.0%	6.4%
Plan return benchmark (gross)	(0.3%)	3.3%	5.8%

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



# Actuarial Valuation at December 31, 2018

## 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 outlines the financial position of the plan as at December 31, 2018. Comparative numbers for the previously filed valuation at December 31, 2017 is also shown.

<b>Going-Concern Financial Position</b>	<b>2018</b>	<b>2017</b>
Actuarial value of assets	21,374,000	\$24,419,000
Actuarial liability	25,002,000	29,432,000
Surplus (Deficit)	(3,628,000)	(5,013,000)
Going Concern ratio (assets/liabilities)	85%	83%

## FUNDING REQUIREMENTS

The Plan last filed a valuation report with the regulators at December 31, 2018. Total special payments being paid by the university for the funded liabilities are shown in the following table, based on the most recent valuation report at December 31, 2018.

<b>Required Contributions</b> Going-concern deficit (unfunded liability) payments	<b>Monthly</b>	<b>Annual</b>
December 31, 2009 valuation	\$7,900	\$94,800
December 31, 2012 valuation	67,900	814,800
December 31, 2015 valuation	1,000	12,000
<b>Total Special Payments</b>	<b>\$76,800</b>	<b>\$921,600</b>



In spite of the difficult financial situation, there will be no decrease in current monthly pension payments received by pensioners. Due to the current financial position of the Plan, there will be no ad-hoc increases to current pensions.

## MEMBERSHIP DATA



<b>Age of Pensioners and Beneficiaries</b>	<b>2018</b>	<b>2017</b>
65-79	3	8
80-84	36	42
85-89	47	49
90-94	30	32
95-99	12	15
100+	2	2
<b>Total</b>	<b>130</b>	<b>148</b>
<b>Average Age</b>	<b>88.0</b>	<b>87.7</b>

## HYPOTHETICAL WIND-UP 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. The following table outlines the wind-up position of the plan at December 31, 2018. Comparative numbers as at December 31, 2017 are also shown.

<b>Hypothetical Wind-Up Financial Position</b>	<b>2018</b>	<b>2017</b>
Actuarial value of assets	\$21,274,000	\$24,319,000
Actuarial liability	\$26,049,000	\$30,570,000
Surplus (Deficit)	(\$4,775,000)	(\$6,251,000)
Solvency ratio(assets/liabilities)	82%	80%

\*THE PLAN HAS BEEN CLASSIFIED AS A "SPECIFIED PLAN" AND IS NOT REQUIRED TO FUND SOLVENCY DEFICIENCIES.

# Retirees 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
- Committee meeting agendas and minutes

### Other Agents of the Plan

<b>Actuary:</b>	Aon, Saskatoon
<b>Investment Consultant:</b>	Aon, Vancouver
<b>Custodian:</b>	CIBC Mellon



## PENSION ADMINISTRATION AND SUPPORT

Pension and Benefits Office, Finance and Resources  
Room E180, Administration Building  
105 Administration Place  
Saskatoon, SK S7N 5A2

Tel: 306-966-6633

Email: [pensions.inquiries@usask.ca](mailto:pensions.inquiries@usask.ca)

Web: [wellness.usask.ca/benefits/pension.php](http://wellness.usask.ca/benefits/pension.php)

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