



Retirees Pension Plan

ANNUAL NEWSLETTER TO MEMBERSHIP

JUNE 2020

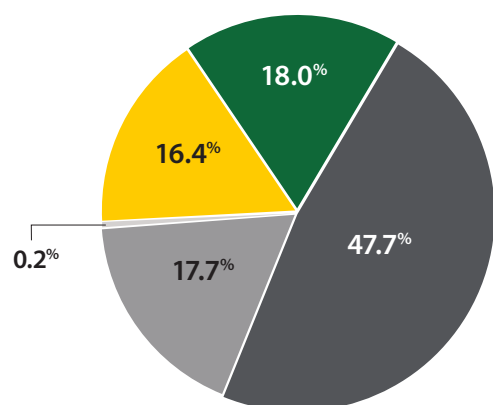


THE PRIMARY PURPOSE OF THIS NEWSLETTER IS:

- to review the actuarial valuation information and special payment requirements of the Retirees 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

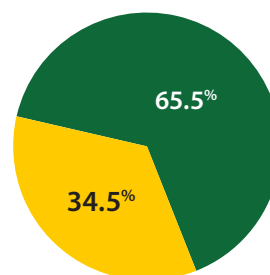
MARKET VALUE OF PENSION PLAN ASSETS



ASSET CLASSES	2019
Canadian Equities	\$3,350,000
Non-Canadian Equities	\$3,683,000
Total Equities	\$7,033,000
Bonds	\$9,739,000
Mortgages	\$3,616,000
Money Market and Short-term Investments	\$33,000
Total Fixed Income	\$13,388,000
Total Market Value	\$20,421,000

Distribution of Assets Among Investment Managers

Investment Manager	2019
TD Greystone	\$13,375,000
Jarislowsky Fraser Limited	\$7,046,000



INVESTMENT PERFORMANCE

The long-term investment goal of the Plan is to achieve an annualized total rate of return of at least 3.5%. 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.

Investment Performance	2019	Last 4 years	Last 10 years
Return*	10.4%	5.2%	6.5%
Benchmark*	10.1%	4.8%	5.6%

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, 2019

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, 2019. Comparative numbers for the previously filed valuation at December 31, 2018 is also shown.

Going-Concern Financial Position	2019	2018
Actuarial value of assets	\$20,548,000	\$21,374,000
Actuarial liability	\$22,746,000	\$25,002,000
Surplus/(Deficit)	(\$2,198,000)	(\$3,628,000)
Going Concern ratio (assets/liabilities)	90%	85%

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 funded liabilities are shown in the following table, based on the most recent valuation report at December 31, 2019.

Required Contributions	Monthly	Annual
Going-concern deficit (unfunded liability) payments		
December 31, 2012 valuation	\$62,100	\$745,200
December 31, 2015 valuation	\$1,000	\$12,000
Total Special Payments	\$63,100	\$757,200

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, 2019. Comparative numbers as at December 31, 2018 are also shown.

Hypothetical Wind-Up Financial Position	2019	2018
Actuarial value of assets	\$20,548,000	\$21,274,000
Actuarial liability	\$23,539,000	\$26,049,000
Surplus/(Deficit)	(\$3,091,000)	(\$4,775,000)
Solvency ratio(assets/liabilities)	87%	82%

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

MEMBERSHIP DATA

Active Members
2019



122

Active Members
2018



130

Age of Pensioners and Beneficiaries	2019	2018
65-79	3	3
80-84	29	36
85-89	44	47
90-94	33	30
95-99	11	12
100+	2	2
Total	122	130
Average Age	88.8	88.0



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.

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

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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