

THE UNIVERSITY OF WINNIPEG TRUSTEED PENSION PLAN BOARD OF TRUSTEES

December 2010

To: All Pension Plan Members

Re: The University of Winnipeg Trusteed Pension Plan

Effective May 31, 2010, a number of amendments were made to the Manitoba Pension Benefits Act (PBA). The PBA amendments fall into two broad categories:

1. Amendments that are required, and
2. Amendments that are optional.

From the day the required amendments became effective, the Board of Trustees must administer the University of Winnipeg Trusteed Pension Plan as if the Plan has already been changed to incorporate the required amendments, however, the Board has until December 31, 2011 to actually go through the steps of formally amending the Plan.

Optional amendments may be incorporated into the Pension Plan, but the Board of Trustees is not required to do so. In the coming months, the Board will be closely examining all optional amendments, weighing their advantages and disadvantages and carefully considering any potential cost impact to the Plan. More information on the optional amendments will be provided to Plan members in the coming months.

Required Amendments

The following is a summary of the more significant "required" amendments that have an impact on Plan members (if you wish to see the complete list of the PBA amendments please visit the MB Pension Commission website at: <http://www.gov.mb.ca/labour/pension/news/index.html>). If you have any questions please contact Mary Anne Walls at 786-9280 or at m.walls@uwinnipeg.ca.

Please note that with the exception of the amendment for Expanded Information provision to Plan members, all the below noted amendments apply to active plan members only.

Normal Pension Commencement Date

Amendment: The Normal Pension Commencement Date (NPCD) cannot be later than the date from which unreduced benefits are payable from the Canada Pension Plan.

What it means: The NPCD of an Academic Plan member can no longer be September 1 following attainment of age 65 to coincide with the start of a new academic year. Consistent with the NPCD of Support Plan members, the NPCD of Academic Plan members will now be the first of the month following attainment of 65. This does not mean that an Academic Plan member may not retire on September or any other agreed upon date; the NPCD is simply the date as of which the Plan member is entitled to receive unreduced pension benefits from the Plan regardless of the length of service the Plan member may have.

The change in the NPCD also affects the University's benefits Plans where the end date of coverage or change in coverage is tied to the NPCD.

Late Pension Commencement

Amendment: Where the pension of a Defined Benefit Plan member commences after age 65, the member's pension will be the higher of: the formula pension payable from the actual retirement date (taking into account the plan limit on benefits where applicable), and the pension payable from age 65, actuarially increased to reflect the postponed retirement date.

What it means: A DB Plan member retiring after age 65 may have a higher pension entitlement as a result of this amendment.

Death prior to Normal Pension Commencement Date

Amendment: The death benefit of a Plan member who dies before reaching age 65 must be as high as the benefit the Plan member would have received at termination or retirement.

What it means: The death benefit for any Defined Benefit Plan member who dies before reaching age 65, and who has pre-1985 credited service, may now be higher as a result of the amendment.

The death benefit of a DB Plan member used to be calculated by splitting the Plan member's service into two periods: pre-1985 and post-1984. The value of the death benefit for pre-1985 service was the sum of the member's contributions and investment earnings, while the value of the death benefit for post-1984 service was the Commuted Value (lump sum value) of the benefit earned for that period of service. As a result of the amendment, the death benefit will now be the Commuted Value of the earned benefit for all years of service which is how termination and retirement benefits are calculated.

Payment of Death Benefit

Amendment: A Plan member's spouse may, at any time prior to the Plan member's retirement, waive his/her right to the Plan member's pre-retirement death benefit. The waiver may be subsequently jointly revoked.

What it means: Based on prior legislation, the death benefit of a Plan member who died prior to retirement, had to be paid to the Plan member's spouse even if the Plan member and his/her spouse wished otherwise. The amendment allows the spouse to waive the pre-retirement death benefit. It should be noted that the waiver is permanent and may subsequently be revoked only upon joint agreement of the Plan member and the spouse.

Any Plan member who wishes to change his/her beneficiary for pension benefits from their spouse to an alternative designation must first obtain the prescribed death benefit waiver form at the following link: http://www.uwinnipeg.ca/index/cms-filesystem-action/hr-docs/hr-benefits/pension_plan/form2_deathbenefitwaiver.pdf.

The duly completed form must be returned to Human Resources.

Expanded requirement to provide documents on request

Amendment: The list of documents that must be provided upon request by Plan members, including beneficiaries and bargaining agents has been expanded to include all documents that are required to be filed with the MB Pension Commission, including documents such as trust deeds, insurance contracts, etc.; a reasonable fee may be charged for the documents.

What it means: This amendment provides greater access by Plan members to information related to the Plan. In practical terms, all current University of Winnipeg Trusteed Pension Plan documents that are required to be filed with the MB Pension Commission are already posted on the University's web site, and have been for some time. This includes documents such as: the Plan text and amendments, the Trust Agreement, Actuarial Valuation reports, annual Financial Statements, Annual Information Return, etc. The documents may be found at the following links:
<http://www.uwinnipeg.ca/index/hr-benefits-pension-home> (Pension Plan home page), and
<http://www.uwinnipeg.ca/index/hr-benefits-pension-trustees#Documents> (Board of Trustees home page).

Division of Pension

Amendment: A statement of the amount payable must be sent to both the Plan member and the Plan member's former spouse within 60 days of a written request.

What it means: The requirement to communicate directly with the Plan member's former spouse is a new requirement and as a result, when a Plan member goes through a separation, he/she will need to provide Human Resources with the address of their former spouse so that Human Resources may communicate with him/her directly in connection with their pension entitlement.