



**Community  
Agencies  
Benefit Plans**

**Annual General Meeting  
Tuesday, June 29, 2021**

# Today's Agenda

Introductions.....	Barry Miller
Acceptance of 2020 Minutes.....	Barry Miller
Presentation of Financial Statement.....	Jennifer Glen
Appointment of Auditors.....	David Azuelos
Election of Trustees.....	Barry Miller
Pension Plan Consultant's Report.....	Ellement Consulting Group
Group Benefit Plan Report.....	Ellement Consulting Group
Chair's Comments.....	Barry Miller

Question Period

# Introductions – Board Members

Name	Position	Company
Barry Miller – Chair	Employer Trustee	Rady Jewish Community Centre
Phil Chiappetta	Employer Trustee	Rossbrook House
Vacant	Employer Trustee	
Vacant	Benefits Trustee	
Vacant	Benefits Trustee	
Jennifer Glen	Standing Member	United Way of Winnipeg
David Azuelos	Active Member Trustee	Jewish Child and Family Services
Helen Quinn	Non-Active Member Trustee	Retired from Volunteer Manitoba Inc.
Gregory Ozechowsky	Trustee at Large	Retired CIBC Wood Gundy Inc.
Cliff Fox - Vice Chair	Trustee at Large	Retired Actuary
Vacant	Trustee at Large	

# Introductions

## Benefit Consultant

- Laura Lomow, Ellement Consulting Group

## Pension Plan Consultant

- Tim McGorman , Ellement Consulting Group

## Office/Benefits Administration

- Kim Larsen



# **Acceptance of 2020 Minutes**

**Barry Miller**





# **2020 Financial Statements**

**Jennifer Glen**

# Statement of Changes in Net Assets Available for Pension Benefits

<b>Increase in assets</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Contributions & Government Subsidies	\$5,830,600	\$5,804,441
Investment income	<u>4,432,853</u>	<u>7,406,088</u>
	<b>10,263,453</b>	<b>13,210,529</b>
<b>Decrease in assets</b>		
Pensions, Annuities & Death Benefits	2,157,870	2,189,646
Terminations Benefits	2,535,506	2,589,427
Administrative Costs	<u>226,202</u>	<u>199,370</u>
	<b>4,919,578</b>	<b>4,978,443</b>
<b>Net Increase in Assets</b>	<b>5,343,875</b>	<b>8,232,086</b>

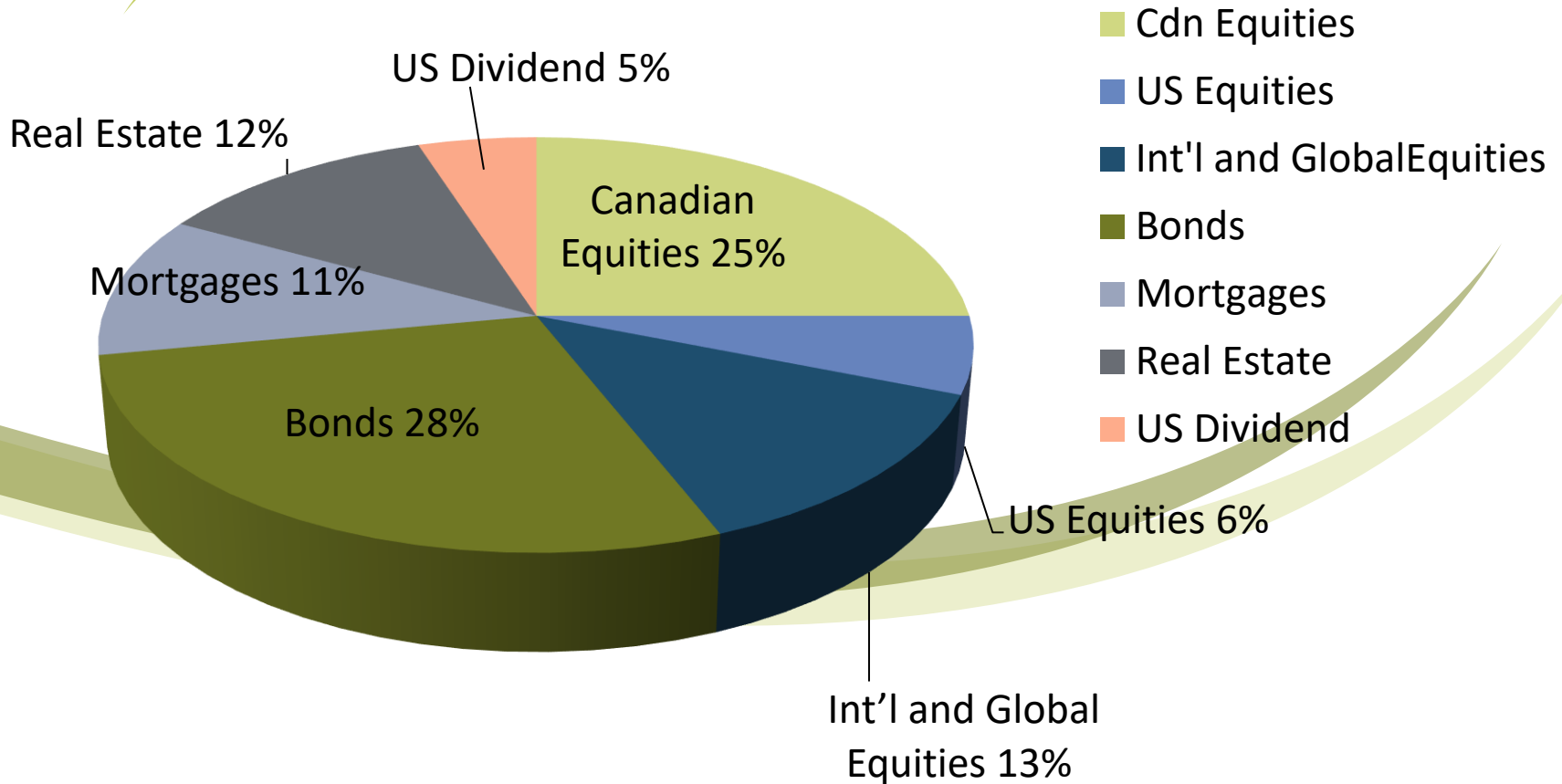
# Statement of Financial Position Retirement Plan

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$2,014,719	\$1,563,544
Cash on deposit with Canada Life	450,853	523,882
Receivables		
Contributions	633,690	367,196
Due from Community Agencies Group Benefits Plan	15,168	15,370
Other	13,865	6,814
Investments	76,812,422	72,111,198
Prepaid expenses	2,385	1,167
	<hr/>	<hr/>
	79,943,102	74,589,171
<b>LIABILITIES</b>		
Accounts Payable and accrued liabilities	56,392	34,935
Professional fees contingency reserve	40,000	30,000
Prepaid contributions	220	5,000
Termination benefits payable	298,005	314,626
	<hr/>	<hr/>
	394,617	384,561
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	79,548,485	74,204,610
<b>ACCRUED PENSION BENEFITS</b>	<hr/> <b>(69,497,195)</b>	<hr/> <b>(65,980,000)</b>
<b>SURPLUS</b>	<b>\$10,051,290</b>	<b>\$8,224,610</b>



# Financial Statements

## Portfolio Asset Mix – Retirement Plan



# Rates of Return Community Agencies Retirement Plan December 31, 2020

CALENDAR YEAR			
ANNUALIZED TO DECEMBER 31, 2020		ANNUAL TO DECEMBER 31	
1 Year ...	6.48 %	2020	6.48 %
2 Years ...	9.13 %	2019	11.84 %
3 Years...	6.15 %	2018	0.43 %
4 Years ...	6.52 %	2017	7.64 %
5 Years ...	6.61 %	2016	7.00 %

# Rates of Return Community Agencies Retirement Plan May 31, 2021

CURRENT YEAR	ANNUALIZED TO May 31, 2021	ANNUAL TO May 31
First Quarter.....1.90 %	1 Year .... 12.73 %	2021 12.73 %
APRIL.....1.33 %	2 Years... 7.94 %	2020 3.35 %
MAY.....0.79 %	3 Years... 7.05 %	2019 5.30 %
Year to Date..... 4.07 %	4 Years... 6.44 %	2018 4.64 %
	5 Years... 7.03 %	2017 9.44 %

# Statement of Changes in Net Assets Available for Group Benefits

<b>Increase in assets</b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Premiums	\$1,851,979	\$1,810,770
Investment income	<u>5,592</u>	<u>10,231</u>
	<b>1,857,571</b>	<b>1,821,001</b>
<b>Decrease in assets</b>		
Payments to insurance companies and other benefit providers	<b>1,768,363</b>	1,736,754
Early Referral Service	<b>824</b>	2,187
Administrative Costs	<u><b>87,662</b></u>	<u><b>80,539</b></u>
	<b>1,856,849</b>	<b>1,819,480</b>
<b>Net Increase in Assets</b>	<b>722</b>	<b>1,521</b>

# Statement of Financial Position

## Group Plan

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$413,517	\$379,789
Short-Term Investments	213,051	207,831
Accounts receivable		
Accrued interest	2,466	3,431
Agency Contributions	26,988	34,064
Prepaid expense	544	544
	<hr/>	<hr/>
	656,566	625,659
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	8,981	3,610
Due to Community Agencies Retirement Plan	15,168	15,370
Prepaid contributions	25,189	173
Contingency reserve	607,228	606,506
	<hr/>	<hr/>
	656,566	625,659
<b>Net Assets Available for Benefits</b>	<hr/>	<hr/>
	\$ -	\$ -



# **Appointment of Auditors**

Craig & Ross, Chartered Accountants

# Election of Trustees

- No nominations were received for the Benefits Trustee positions or Employer Trustee position.



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**Section 1: Introductions**

**Section 2: Group Retirement Plan Report**

**Section 3: Group Benefits Plan Report**

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## SECTION 1: Introductions

- Office/Benefits Administration
  - Kim Larsen
- Pension Plan Consultant
  - Tim McGorman, Ellement Consulting Group
- Benefit Consultant
  - Laura Lomow, Ellement Consulting Group

## Section 2: Group Retirement Report

### Purpose of Presentation

- Provide an update to the financial position of the plan as at December 31, 2020 (actuarial valuation results)
- 2020 Wrap-up and Look Ahead
- Answer questions

## Ellement Consulting Team

### ACTUARIAL TEAM

Tim McGorman

Lucas Szczepanski

Ross Dunlop

Ivraj Plaha

### ADMINISTRATIVE TEAM

Wendy Bonner

Reeva Johnson

## Plan Provisions

- **Employee Contributions**
  - 7.00% of gross basic earnings up to the Year's Maximum Pensionable Earnings (YMPE); plus
  - 8.75% of gross basic earnings above YMPE
- **Employer Contributions**
  - Match employee contributions plus any special payments
- **Retirement Benefit**
  - For service after 2002, 1.40% of gross basic earnings up the YMPE in each year plus 2.00% of gross basic earnings over the YMPE in each year
  - Normal form of pension is payable for lifetime with a minimum period of not less than 60 months
- **Early Retirement Provisions**
  - Monthly pension is reduced by  $\frac{1}{2}$  of 1% for each month retirement is before age 65

## Solvency Exemption

- In October 2015, the Government of Manitoba made and registered the *Solvency Exemption for Specified Non-Profit Sector Pension Plans Regulation, 175/2015* (Exemption Regulation). The solvency exemption was approved by the Office of the Superintendent – Pension Commission on February 8, 2016.
- Exemption Regulation, section 10 Restrictions on Plan:
  - A surplus in a plan may only be used for benefit restorations or improvement, or contributions reductions, if the plan is fully funded on a going concern basis that includes a margin for adverse deviations equivalent to at least 15% of the going concern liabilities **and no solvency deficiency**; and
  - Any benefit restorations or improvements, or contribution reductions, must not put the going concern valuation as defined in subsection 4.7(1) of the Pension Benefits Regulation, including a margin for adverse deviations equivalent to at least 15% of the going concern liabilities, in a deficit.

## Valuation Results

GOING CONCERN VALUATION	31-Dec-2020	31-Dec-2019
Market Value of Assets	\$ 79,548,000	\$ 74,205,000
Expense Reserve	-	-
Actuarial Liability	(69,035,000)	(65,980,000)
Surplus/(Unfunded Liability)	<u>\$ 10,513,000</u>	<u>\$ 8,225,000</u>
Funded Ratio	115.2%	112.5%
HYPOTHETICAL WIND-UP	31-Dec-2020	31-Dec-2019
Market Value of Assets	\$ 79,548,000	\$ 74,205,000
Expense Reserve	(330,000)	(330,000)
Actuarial Liability	(94,706,000)	(86,770,000)
Solvency Excess/(Deficiency)	<u>\$ (15,488,000)</u>	<u>\$ (12,895,000)</u>
Solvency Ratio After Adjustments	83.7%	85.1%

## Reconciliation of Actuarial Surplus

<b>Going Concern (GC) Actuarial Surplus as at December 31, 2019</b>	<b>\$8,225,000</b>
Interest on GC Surplus for 1 year at 4.75%	\$390,000
Contributions	\$5,826,000
Current Service Cost	(\$5,068,000)
<b>Expected GC Actuarial Surplus as at December 31, 2020</b>	<b>\$9,373,000</b>
Investment income greater/(less) than expected	740,000
Operating Expenses	5,000
Investment Expenses	\$32,000
Gain on mortality and lump sum payments	308,000
Other Experience gain/(loss)	\$162,000
Change in Assumptions – (Discount Rate now 4.5%, removal of PfAD)	(\$107,000)
<b>GC Actuarial Surplus as at December 31, 2020</b>	<b>\$10,513,000</b>



## Contribution Requirements

ANNUAL CONTRIBUTION REQUIREMENTS	% of salary	2021		2020	
		Estimated	Estimated	Estimated	Estimated
Employee Contributions *	6.88%	\$ 2,980,000		6.90%	\$ 2,913,000
Employer Contributions	6.88%	2,980,000		6.90%	2,913,000
<b>Total Contributions [A]</b>	<b>13.76%</b>	<b>\$ 5,960,000</b>		<b>13.80%</b>	<b>\$ 5,826,000</b>
Normal Actuarial Cost	11.90%	\$ 5,151,000		12.00%	5,068,000
Special Payments: Going Concern	-	-		-	-
Special Payments: Solvency**	7.55%	3,269,000		4.84%	2,042,000
Transfer Ratio Payments	-	-		-	-
<b>Total Annual Contribution Requirements [B]</b>	<b>11.90%</b>	<b>\$ 5,151,000</b>		<b>12.00%</b>	<b>\$ 5,068,000</b>
<b>Contribution Margin/(Deficiency) ([A] - [B])</b>	<b>1.86%</b>	<b>\$ 809,000</b>		<b>1.80%</b>	<b>\$ 758,000</b>
Expected/Actual Salary Next Year		43,286,000			42,230,000

\* Employee contributions are equal to 7.0% up to the YMPE and 8.75% in excess.

\*\* As the Plan has been granted a permanent solvency exemption, no solvency payments are required. The solvency payments are displayed for completeness.

## Actuarial Assumptions Going Concern

Cost Method/Assumption	31-Dec-2020	31-Dec-2019
Actuarial Cost Method	Accrued Benefit Cost Method	Same
Actuarial Value of Assets	Market Value	Same
Discount Rate	<b>4.50% per annum</b>	4.75% per annum
Mortality	CPM2014 (Private), scale CPM-B	Same
Retirement	Age 65	Same
Termination	Ontario Medium with interest rate at 2.50%	Same
Provision for Adverse Deviation	<b>n/a</b>	7.00%

## Going Concern Discount Rate Development

- The going concern discount rate has been developed as follows:

Inflation	2.00%
Real Rate of Return (portfolio policy mix)	2.95%
Rebalancing and diversification	0.30%
Passive investment management fees	<u>(0.20%)</u>
Best Estimate - after passive fees	5.05%
Expenses - Operating	<u>(0.30%)</u>
Discount Rate - before any margin	4.75%
Margin for adverse deviation	<u>(0.25%)</u>
<b>Discount Rate</b>	<b>4.50%</b>

- The discount rate contains an estimated 25 basis points (or 0.25%) of Margin for Adverse Deviation (MfAD)

## Actuarial Assumptions Solvency

Cost Method/Assumption	31-Dec-2020	31-Dec-2019
Actuarial Cost Method	Accrued Benefit Cost Method	Same
Actuarial Value of Assets	Market Value	Same
Discount Rate		Same
(a) Not yet eligible to retire	<b>1.40% for 10 years, 2.90% thereafter</b>	2.40% for 10 years, 2.50% thereafter
(b) Eligible to retire	<b>2.55%<sup>1</sup></b>	2.96% <sup>2</sup>
Mortality	CPM2014 (Composite), scale CPM-B	Same
(a) Not yet eligible to retire	Immediate	Same
(b) Eligible to retire	Age 65	Same
Termination	None assumed	Same
Wind-up Expenses	\$330,000	Same

<sup>1</sup> In accordance with the Canadian Institute of Actuaries, Educational Note: Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates Between December 31, 2020 and December 30, 2021

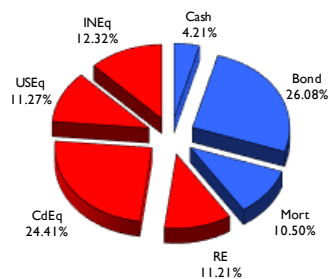
<sup>2</sup> In accordance with the Canadian Institute of Actuaries, Educational Note: Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates Between December 31, 2019 and December 30, 2020

## Portfolio Asset Mix

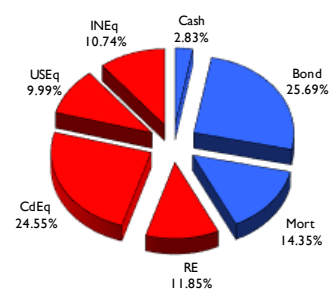
	31-Dec-2020		31-Dec-2019		Investment Policy	
	Market Value	%	Market Value	%	Range	Target
1 Cash & Equivalents (Cash) *	\$ 3,342,000	4.21%	\$ 2,094,000	2.83%	0-15%	1%
2 Fixed Income (Bond)	20,744,000	26.08%	19,061,000	25.69%	20-50%	29%
3 Mortgages (Mort)	8,355,000	10.50%	10,650,000	14.35%	5-15%	10%
Total Fixed Income	\$ 32,441,000	40.79%	\$ 31,805,000	42.87%		
4 Real Estate (RE)	8,916,000	11.21%	8,797,000	11.85%	0-15%	10%
5 Canadian Equity (CdEq)	19,419,000	24.41%	18,218,000	24.55%	15-35%	25%
6 U.S. Equity (USEq)	8,969,000	11.27%	7,412,000	9.99%	5-35%	12.5%
7 International Equity (INEq)	9,803,000	12.32%	7,973,000	10.74%	5-35%	12.5%
Total Equity	\$ 47,107,000	59.21%	\$ 42,400,000	57.13%		
Total Market Value	\$ 79,548,000	100.00%	\$ 74,205,000	100.00%		

\* Included in Cash & Cash Equivalents are the net amounts receivable plus payables

31-Dec-2020  
(59.21% Equity)



31-Dec-2019  
(57.13% Equity)



## Reconciliation of Market Value of Assets

Year	Opening Market Value	Contributions		Investment Income	Benefits		Expenses		Closing Market Value	Gross Return	Net Return **
		Member	Employer		Pensions	Lump Sums	Operating	Investment			
2010	31,821,102	1,512,533	1,659,698	3,901,158	(1,316,412)	(840,542)	(275,779)	(136,276)	36,325,482	12.14%	10.79%
2011	36,325,482	1,740,818	1,740,818	389,957	(1,293,050)	(1,183,199)	(182,303)	(146,575)	37,391,948	1.06%	0.17%
2012	37,391,948	1,859,630	1,860,773	2,893,551	(1,334,407)	(667,549)	(137,720)	(164,847)	41,701,379	7.59%	6.77%
2013	41,701,379	2,019,770	2,019,770	6,059,684	(1,410,303)	(1,734,072)	(135,542)	(178,214)	48,342,472	14.43%	13.63%
2014	48,342,472	2,288,122	2,303,393	5,115,877	(1,769,102)	(1,680,783)	(149,176)	(194,147)	54,256,656	10.50%	9.76%
2015	54,256,656	2,474,028	2,474,599	2,613,080	(1,649,318)	(2,396,633)	(160,855)	(206,340)	57,405,217	4.79%	4.11%
2016	57,405,217	2,624,287	2,624,858	3,869,089	(1,773,238)	(2,589,504)	(156,354)	(199,458)	61,804,897	6.71%	6.07%
2017	61,804,897	2,721,358	2,721,929	4,542,547	(1,865,923)	(3,431,073)	(190,147)	(239,896)	66,063,692	7.37%	6.65%
2018	66,063,692	2,724,167	2,832,550	293,178	(1,898,010)	(3,592,498)	(195,055)	(255,500)	65,972,524	0.45%	(0.24%)
2019	65,972,524	2,901,935	2,901,935	7,675,556	(2,005,039)	(2,774,034)	(199,380)	(268,887)	74,204,610	11.59%	10.84%
2020	74,204,610	2,913,146	2,913,146	4,713,051	(2,047,694)	(2,645,682)	(226,202)	(275,890)	79,548,485	6.32%	5.63%
"20-Year Average"										6.09%	5.26%
"6-Year Average"										6.15%	5.46%
"3-Year Average"										6.02%	5.31%

\*\* Net Return is Gross Return minus both operating and investment expenses.

## Membership Reconciliation

	<i>Actives et al</i>		<i>Deferreds et al</i>		<i>Pensioners et al</i>		<i>Total</i>
	<i>Active</i>	<i>Disabled</i>	<i>Leave</i>	<i>Deferred</i>	<i>Pensioner</i>	<i>Survivor</i>	
Membership as at 31-Dec-2019	885	40	43	543	297	12	1,820
Adjustments	-	-	-	-	-	-	-
New Entrants	171	-	-	-	-	-	171
Return to active	18	(1)	(16)	(1)	-	-	-
Leave of absence	(69)	-	69	-	-	-	-
Long-term disability	(5)	8	(2)	(1)	-	-	-
Terminations - lump sum payment	(51)	-	(6)	(47)	-	-	(104)
- deferred	(88)	(4)	(9)	101	-	-	-
Retirements	(12)	(2)	-	(6)	21	(1)	-
Deaths - pension to survivor	-	-	-	-	(3)	3	-
- no benefit remaining	-	-	(1)	(2)	(9)	(1)	(13)
Membership as at 31-Dec-2020	<u>849</u>	<u>41</u>	<u>78</u>	<u>587</u>	<u>306</u>	<u>13</u>	<u>1,874</u>

- There are over 50 agencies participating in the Community Agencies Retirement Plan as at December 31, 2020.

## Membership Data

	31-Dec-2020			31-Dec-2019		
	Number	Average Age	Average Monthly Pension	Number	Average Age	Average Monthly Pension
<b>Actives</b>						
- Active-R	208	59.5	\$ 587	209	60.1	\$ 575
- Active	641	40.4	257	676	40.2	244
- Disabled-R	28	60.8	708	29	60.9	715
- Disabled	13	44.1	391	11	43.8	346
	<u>890</u>	<u>45.5</u>	<u>\$ 350</u>	<u>925</u>	<u>45.4</u>	<u>\$ 335</u>
<b>Deferreds et al</b>						
- Leave-R	15	62.2	\$ 369	2	62.5	\$ 84
- Leave	63	40.4	180	41	36.7	165
- Deferred-R	142	61.3	253	127	61.6	245
- Deferred	445	39.9	93	416	40.3	101
	<u>665</u>	<u>45.0</u>	<u>\$ 141</u>	<u>586</u>	<u>44.7</u>	<u>\$ 137</u>
<b>Pensioners et al</b>						
- Pensioner-R	306	75.9	\$ 554	297	76.0	\$ 546
- Survivor-R	13	82.0	497	12	82.0	447
	<u>319</u>	<u>76.1</u>	<u>\$ 551</u>	<u>309</u>	<u>76.2</u>	<u>\$ 542</u>
<b>Total</b>	<u><u>1,874</u></u>	<u><u>50.6</u></u>	<u><u>\$ 310</u></u>	<u><u>1,820</u></u>	<u><u>50.4</u></u>	<u><u>\$ 306</u></u>

\* Please note that the "-R" refers to those members that are within the retirement window.



## 2020 Wrap-up and Look Ahead

### 2020 Wrap-up

- 2020 was a positive year for investment returns with the Going Concern funded ratio improving from 112.5% to 115.2%.
- The Solvency funding position decreased from 85.1% to 83.7% due to a drop in the interest rates prescribed for the solvency valuation.
- No benefit improvement or member contribution reduction is permitted as the Plan's funded ratio is less than 100% on a Solvency funding basis.

### Looking Ahead

- 2021 has not seen the volatility in the equity markets that the early part of 2020 experienced.
- We anticipate that the Solvency funded ratio will remain less than 100% at the end of 2020 even though interest rates have increased in 2021.
- Thus, no plan changes are expected to be permissible in 2022.

## SECTION 3: Group Benefit Plan Report

As of December 31, 2020:

- 669 members
- 43 agencies in total

Changes since December 31, 2020:

- 38 less members
- 1 agency left
- 1 agency joined

## Group Benefits Plan Report: Three Year Review

	2019	2020	2021
Basic Life Insurance	3.7% Increase	0.6% Increase	No Change
Dependent Life	3.1% Decrease	0.8% Increase	No Change
AD&D	1.4% Increase	0.7% Increase	No Change
Long Term Disability	19.5% Decrease	8.7% Decrease	No Change

## Three Year Review:

*continued*

	2019	2020	2021
Weekly Indemnity	5.7% Decrease	0.8% Increase	No Change
Health Care Benefit	2.1% Increase	1.4% Increase	2.4% Increase
Dental Care Benefit	4.4% Decrease	0.4% Decrease	4.3% Increase
EAP	0.6% Increase	2.6% Increase	20.2% Increase

## Impact on Monthly Cost

Coverage	2020	2021	\$ Difference	% Difference
\$30,000 Single	\$137.75	\$140.48	\$2.73	1.98%
\$30,000 Family	\$222.20	\$227.80	\$5.60	2.52%

Note: monthly cost is based on the average Single/Family Health and Dental rates for each year across all divisions.

## Plan Experience

- 1 life claims paid out for members versus 0 in 2019
- 0 life claims paid out for dependents versus 0 in 2019
- 5 new LTD claims approved at Canada Life vs. 6 in 2019
- \$397,510\* Extended Health Care claims paid versus \$409,619 in 2019
- \$341,353\* Dental Care claims paid out versus \$ 384,978 in 2019

\* Claims are for the 12-month period ending February 28, 2020

## Plan Enhancements

Effective January 1, 2020:

- Decreased the minimum hours worked to 20 for part-time employees; was previously 21



# **Chair's Comments**

**Barry Miller**





# **2021 Annual General Meeting**

**Any Questions?**



# **2021 Annual General Meeting**

**New Business**





# **2021 Annual General Meeting**

**Thanks for attending, stay healthy  
and keep safe.**

