

Navigating through the “new normal”

It has been over nine months since the global pandemic has affected all of us and changed the way we live - at least for the foreseeable future. We understand that many members are experiencing stressful and uncertain times but together we will get through this. We want to thank our front-line and essential service members for all they have done and continue to do every day.

COVID-19 has impacted our lives in so many ways. The volatility experienced in the financial markets is persisting and expected to continue for the near term. The Board of Trustees continues to focus on managing the Multi-Sector Pension Plan for the long-term and regularly assesses the Plan and its financial health.

A key component of managing the Plan is having regular actuarial valuations performed for the Plan. These valuations look at the Plan's long term expected benefit payments to members as well as Plan costs in comparison to the assets available to pay these amounts. The MSPP's last valuation was performed effective January 1, 2020 and indicated that the Plan was 99.3% funded on a going concern basis. The going-concern basis is used to establish the long-term viability of the Plan and establish funding requirements. Like most multi-employer plans, the Plan is funded only on a going concern basis. Solvency funding, on the other hand, assumes a pension plan is terminated on a specific date and all benefits are paid out immediately using the interest rates in effect on the date of termination. In response to the pandemic, governments slashed interest rates which increased the cost of paying pensions. The MSPP's funded ratio on a solvency basis is approximately 50%.

We remind members that the Plan has experienced steady growth since its inception in 2002, to the point where the Plan currently has over 15,000 active members and over \$450 million in assets. In addition to the “strength in numbers” and its long-term investment horizon, the Board continues to manage risks by broadening its asset base and investing in less volatile assets such as real estate and private debt. These asset classes are expected to reduce the effects of downturns in the public markets such as the stock market sell off last year due to the pandemic.

These and other strategic actions are expected to provide stability in the long term. We are confident that our long-term focus on the Plan's sustainability and the Plan's ability to withstand uncertainty will get us through this challenging period.

COVID-19 UPDATE

Our continuing gratitude goes out to the many Plan members who are working on the front lines or in essential services helping us and our communities. Thank you!

InBenefits, your Plan administrator, continues to provide on-going services to members during the pandemic, which include payment of regular monthly pensions, benefit payments, receipt of employer and employee contributions and answering your questions. In the early days of the pandemic, InBenefits did experience some delays as most staff shifted to working from home, but has been able to address the temporary backlog of files.

Page 3 of this newsletter has some information about making self payments during periods in which you cannot work due to the pandemic. Members can also send an email to info@mspp.ca or call 905-889-6200 or 1-800-287-4816 toll-free for more information.

We thank you for your patience and understanding during these challenging times.

Be safe. Together we will get through this!



A LOOK INSIDE ...

On page 2, we highlight recent Plan changes and encourage members to provide your designated beneficiaries to the Plan administrator.

On page 3, we have compiled some of the most common questions received during the past few months.

On page 4, we describe exciting new tools for members and employers to access and exchange information.

Multi-Sector Pension Plan
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MAKE SURE YOUR DEATH BENEFITS ARE PAID IN ACCORDANCE WITH YOUR WISHES

No matter what stage of life you're at, it's important to provide the names of your designated beneficiaries to InBenefits, your Plan administrator. This helps to get any death benefits owing to your loved ones in an expedited manner. Typically in weeks, rather than months, or in some cases years, depending on the complexity of the estate.

If you do not have an eligible spouse, as defined by the applicable pension legislation, and you have not designated a beneficiary, any death benefits owing by the Plan will be paid to your estate. It's important to remember that estate proceeds are paid from the residual assets remaining in the estate after all creditors have been paid.

The good news is that adding or updating your beneficiary designations can now be done online through the *My InSite* member portal. **It's quick and it's easy.** Simply click on the Member Sign In button on the home page of www.mspp.ca and sign up as a new user or login as an existing user. Then go to the My Beneficiaries page in the portal and follow the instructions.

You can also contact the InBenefits Call Centre and have them walk you through the process on the portal or to request that a Designation of Beneficiary Form be mailed or e-mailed to you.

Let's make sure that any survivor or death benefits are paid in accordance with your wishes.

RECENT PLAN CHANGES

Changes to the Commuted Value Calculation

A commuted value (CV) is the present lump sum value of an accrued pension calculated at a point in time using assumptions in accordance with applicable pension laws which require that CVs be calculated using standards prescribed by the Canadian Institute of Actuaries ("CIA").

The CIA standards for CV calculations changed effective December 1, 2020 for pension plans like the MSPP. These changes provide for CVs to be calculated on a going concern basis where permitted by applicable pension laws. This means that CVs will be calculated using going concern assumptions which are the same assumptions used to determine the funding requirements of the Plan. These changes also allow the CV to reflect the going concern funded level of a pension plan, which may be capped at 100%, where permitted by applicable pension law.

All provinces except Ontario, British Columbia, and New Brunswick permit the MSPP to use the going concern basis for CV calculations effective December 1, 2020. Effective March 1, 2021, the CV calculated under the MSPP on the going concern basis will also reflect the going concern funded status of the MSPP at the relevant time, subject to a maximum of 100%. Ontario, British Columbia, and New Brunswick continue to require that the MSPP calculate the CV using solvency assumptions; that is, as if the MSPP is to be terminated on the date of calculation.

Termination of Employer Participation

Previously, if an employer stopped participating in the Plan any pension benefits of those employed, or formerly employed, by that employer were adjusted in accordance with the Plan's rules for employer terminations.

These rules for employer terminations will not apply to employer terminations after January 1, 2018 as the Plan was recently amended retro-active to January 1, 2018. Any pension benefit transferred out of the MSPP at membership termination will be calculated in the normal manner and in accordance with the rules for calculating commuted values.

Please contact InBenefits for more information on any of the above topics.

THE MSPP IS A SOMEPP

A Specified Ontario Multi-Employer Pension Plan (a "SOMEPP") is a special class of pension plans that has 15 or more contributing employers and therefore is much less likely to terminate. The MSPP is a SOMEPP and currently has over 185 contributing employers and continues to grow.

As a SOMEPP, the Plan is funded only on a going concern basis and is exempted from the solvency funding requirements of Ontario's Pension Benefits Act. For certain jurisdictions, the Plan's solvency-funded level does have an impact if a former member transfers their pension benefits out of the Plan.

For more information on the Plan's SOMEPP designation please refer to the SOMEPP page in the "About the Plan" section in the Plan's website www.mspp.ca.

MSPP BOARD OF TRUSTEES

Your Plan's Trustees and Alternate Trustees are all appointed by unions that represent MSPP members - Canadian Union of Public Employees (CUPE) and the Service Employees International Union (SEIU).

Trustees

Susan Arab, Co-Chair, *CUPE*

John Klein, Co-Chair, *SEIU*

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Alternate Trustees

Matt Cathmoir, *SEIU*

Gary Yee, *CUPE*

YOU ASKED, WE ANSWERED . . .

Here are a few of the most common questions received during the past few months along with our answers.

Maintaining your contributions

Q: What are “self-payments”?

A: Self-payments are pension contributions you may make voluntarily to keep your pension growing in one of the following cases:

- you are on a layoff or an approved leave of absence (such as sick leave, maternity or parental leave, workers' compensation leave, layoff with recall rights, etc.); or
- you stop working for a contributing employer and become employed by another contributing employer before having a break in service.

To make self-payments, InBenefits must be advised by you or your employer that you are on an approved leave of absence or be advised by your new employer of your hiring. InBenefits will contact you to confirm if you would like to make self-payments.

Q: I cannot attend work because I have to look after my kids who cannot attend school due to the pandemic. What will this mean to my MSPP pension?

A: Your MSPP pension is based on the employer and employee contributions received on your behalf. If no such contributions are received, your pension will not grow during this absence from work. In response to the pandemic, the Ontario government introduced a new job-protected, emergency leave for employees who are unable to work for reasons related to COVID-19. Ontario employees are eligible for this unpaid leave if they are:

- under individual medical investigation, supervision or treatment for reasons related to COVID-19;
- acting in accordance with an order under the Health Protection and Promotion Act;
- directed by their employer not to attend work due to the employer's concern that they may expose others in the workplace to COVID-19;
- providing care or support to family members for a matter related to COVID-19, including a school closure;
- directly affected by travel restrictions and cannot reasonably be expected to travel back to Ontario; or
- in quarantine or self-isolation as a result of information or directions issued by a public health official, a qualified health practitioner, Telehealth Ontario, the province, the federal government, a municipal council, or a board of health.

Under the Employment Standards Act, your employer must continue to contribute to the MSPP on your behalf during a COVID-19 leave, unless you provide it with written notice that you do not intend to make your employee contributions for the period of your leave.

Terminating from employment

Q: What is a Break in Service (“BIS”)?

A: If you are under age 55, under current Plan rules, you can elect to incur a Break in Service if no contributions are received on your behalf for 24 months. You remain a member of the Plan until you make such an election. This twenty-four-month period provides members an opportunity to find employment with another contributing employer to continue participating in the MSPP. The twenty-four-month period does not include periods during which you are away from work due to illness or disability but are still on a contributing employer's payroll; on an approved leave of absence; or on layoff and subject to recall under your collective agreement.

For a more detailed article on your options at termination, you should refer to page 2 of the May 2019 edition of MSPP Pension News which is available on the MSPP website.

Ready to retire

Q: How do I apply for my pension?

A: For members who are at least age 55 and are considering retirement, you can call InBenefits to request a pension estimate, showing your monthly pension amount at the date or age requested. When you are ready to start your pension, please call InBenefits three months before your planned retirement date to request a formal pension application and the forms you will need to complete in order to retire. Confirmation of your last day worked from your employer is also required by InBenefits before your pension can start.

Members can now do a pension estimate and request a pension application using the My InSite portal. However, you should not make any final decision about your retirement until you receive an official pension application from InBenefits. Refer to the Useful Information and Getting Started Guide which will be provided to you when InBenefits lets you know you can access the portal.

For a more detailed article on this topic, you should refer to page 2 of the October 2018 edition of MSPP Pension News which is available on the MSPP website.

EXCITING NEW TOOLS FOR MEMBERS AND EMPLOYERS!

In recent editions of MSPP Pension News we have informed you about our initiatives to improve the member and employer experience. We are pleased to say that we're ready to launch some exciting new tools for members and employers alike. Are you ready to learn more about your Plan and access information on YOUR time?

It all starts with a newly designed Plan website. We would show you more than the header, but we really want YOU to go to www.mspp.ca and check out the new website for yourself.

In addition to its new look we have simplified the navigation of the site by reducing the number of menu headings but increased the amount of available information. We've added features such as Latest News and Express Links which provide the latest news about the Plan and the most-often used items on the website. The Resource Centre is the reference section of the site where members can find useful information such as Retirement 101, the Member's Handbook, Newsletters, FAQs and coming soon Plan presentations and webinars.

Access to more information continues with the *My InSite* member portal. The *My InSite* portal provides eligible members with secure on-line access to their personal information 24/7. Portal eligibility includes active members, deferred members and pensioners. These individuals will be able to view their personal data, beneficiary information, contributions made to the Plan on their behalf and documents they have sent to, or received from, the Plan. In addition, members can update personal and beneficiary information and request a Pension Application directly through the portal. The portal is being rolled out in stages so some members will have access to it before others.

One of the exciting features of the portal is a new Pension Estimate Calculator. Active members can use it to calculate their monthly pension benefit at any date after age 55 and before age 71 using the contributions made to-date or with contributions projected to their selected date of retirement. Deferred members have similar capabilities using contributions made while participating in the Plan. Members can even see the forms of payment related to their monthly pension estimate. The new calculator is a powerful tool to help you plan for retirement.

To access the portal, eligible members can click on the Member Sign In button on the www.mspp.ca home page and follow the instructions. Members and pensioners will be provided with a Useful Information and Getting Started Guide when they are notified that they can use the *My InSite* portal.

The e-Site employer portal will enhance the exchange of information between MSPP participating employers and InBenefits. The e-Site portal is an interactive online communication tool for employers to securely make contributions and exchange remittance information with InBenefits. The portal allows employers to remit pension contributions electronically, update and view employee/member information in real time and access useful reports including Plan and collective agreement information. Imagine the ease and convenience.

The re-design of the Plan website and in particular the introduction of the portals aligns with InBenefits' pillars of Innovation, Integrity, Commitment and Excellence.

We truly believe these new features will make everyone's life a little easier.



FIVE TABLETS TO BE WON!

Are you in?

All active members who set up an account in My InSite before May 1, 2021 will be entered into a draw for one of five tablets.

It's our way of celebrating this milestone event and saying thank you.

KEEP IN TOUCH

Have a question about your Plan? We're here to help!

Email: info@mspp.ca

In Toronto:

905-889-6200 (Option 1)

Outside Toronto:

1-800-287-4816

Fax: 905-889-7313

Address:

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Markham, Ontario L3T 7W3

You can also access Plan information online anytime at www.mspp.ca



Final word

This newsletter serves only as a summary of information about the Multi-Sector Pension Plan in simple terms. It is not intended to be comprehensive or to provide advice. If there are any differences between the information provided in this newsletter and the legal documents that govern the Plan, the legal documents will apply.