

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. The MSPP exercised early adoption of these standards effective September 1, 2020. 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 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 retroactive 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.

RECENT PLAN CHANGES (continued)

Uniform contribution rates

The Plan was amended effective January 1, 2021 to require that the rate of Employer Contributions and the rate of Employee Contributions for Employees covered by a Collective Agreement each be uniform for all Employees covered by that Collective Agreement.

Electronic designation of Beneficiaries

The Plan was amended effective March 23, 2021 to allow members to designate a Beneficiary or to change or to revoke the designation of a Beneficiary electronically in those provinces or jurisdictions where the applicable law permits. These designations, changes or revocations may be provided electronically in such manner as is acceptable to the Trustees and in accordance with applicable law.

Change to the Commuted Value Calculation in respect of New Brunswick Members

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. Applicable pension laws require that CVs be calculated in accordance with their requirements and using standards prescribed by the Canadian Institute of Actuaries (CIA).

Effective September 30, 2021, as permitted by applicable pension laws and in accordance with the CIA's standards, the CVs in respect of New Brunswick members are calculated on a going concern basis and also reflect the going concern funded status of the MSPP at the relevant time, subject to a maximum of 100%. This is how the Plan calculates CVs for all participants except those in Ontario and British Columbia given different requirements for those provinces. If you have any comments on this change, please submit them to the Trustees c/o InBenefits and the Financial Services Regulatory Authority of Ontario.