



March 2023

The Multi-Sector Pension Plan ("MSPP") has been designated as a Specified Ontario Multi-Employer Pension Plan, or SOMEPP. This letter is for information only. It does not require any action by you.

The MSPP is a Multi-Employer Pension Plan (MEPP) under the Pension Benefits Act of Ontario (PBA). The MSPP is registered in Ontario as the plurality of its members are employed in Ontario. The MSPP currently has over 247 active participating employers and over 23,777 current members. The SOMEPP designation allows the MSPP temporary relief from the standard solvency funding requirements under the PBA.

The Actuarial Valuation and Review performed as of January 1, 2022 showed that the total projected employer and employee contributions coming into the MSPP are more than sufficient to cover the costs of the MSPP on a "going-concern" basis. This means employer and employee contributions to the Plan are sufficient to cover the cost of the next year's accrual of benefits (the normal cost), the administrative expenses of the MSPP, and the annual amortization payment in respect of the going-concern unfunded actuarial accrued liability.

Normally, the MSPP would be required to make amortization payments to pay off its solvency shortfall (the transfer ratio of the MSPP is 59.0% at January 1, 2022 so the solvency shortfall is 41.0% at that date). However, given the MSPP's SOMEPP status, amortization payments in respect of the solvency shortfall are not currently required. Ontario created the SOMEPP rules since Multi-Employer Pension Plans are much less likely to be wound up than single-employer plans. The MSPP's transfer ratio is estimated to be 70.7% at March 31, 2022. This value will be impacted by, among other things, the volatility in the financial markets. The Trustees continue to carefully monitor the Plan's financial position and its transfer ratio.

In the unlikely event of a wind-up of the MSPP when its transfer ratio is less than one, its assets would not be sufficient to fund all accrued benefits. Under current MSPP rules, members, former members and retired members employed by employers that terminate their participation in the MSPP are subject to an accounting under which the contributions made by the employer and its employees are compared to the benefits paid and promised to the members, former members and terminated members associated with the terminating employer, and benefits may be reduced if the assets are less than the value of benefits.

If you have any questions or want more information, please contact InBenefits at: (905) 889-6200 (option 1) or 1-800-287-4816 (toll free anywhere in Canada).

(FSCO Registration #1085653)