

2024: The World of Pensions

After getting off to a strong start, 2023 was a disappointing year for investors due to a number of factors, which included increasing geopolitical tensions, stubbornly high inflation and labour market shortages. Many investment professionals expect lackluster investment performance to remain a continuing theme for the next few years.

Therefore, it is now more important than ever for Canadians workers to increase their financial literacy so they can successfully navigate the uncertain financial times ahead. As a member of the MSPP you are one of the less than 30% of Canadians with access to a pension plan. The MSPP provides a strong foundation for you to achieve your financial objectives for your retirement. Please contact InBenefits, which administers the Plan, or visit us at www.mspp.ca to learn more about your Plan and how you can maximize the value you receive from it. The more you understand and prepare for your retirement the better the chances are that you will meet your retirement goals.

The Multi-Sector Pension Plan Board of Trustees has been working diligently to protect the financial strengths of the Plan and improve members' understanding of how it operates and how it will ultimately contribute to their retirement.

Managing the Plan:

A key component of managing the Plan effectively is regularly performing actuarial valuation. A valuation uses approved actuarial assumptions to measure a pension plan's financial health both today and over the long-term under various scenarios.

A going-concern valuation assumes a pension plan will continue to indefinitely and uses long term assumptions to determine whether incoming contribution and the investment returns on those contributions will be sufficient to pay future pensions and benefits and the expenses of the Plan. Like most multi-employer plans, the MSPP is funded only on a going-concern basis. The MSPP's most recent valuation showed that on January 1, 2023 it was fully funded on a going concern basis.

A solvency valuation assumes a plan was terminated on a specific date and all benefits were paid out immediately using the interest rates in effect on the hypothetical termination date. Multi-employer plans are exempt from Ontario's solvency funding rules since they are unlikely to be harmed by the failure of an employer. The MSPP's solvency funded level increased from 59% on January 1, 2022 to



My InSite Member Portal

The MSPP is moving away from paper documents. Doing so has two main advantages for members. It reduces costs, which leaves more money to pay pensions and benefits and allows members to access their key pension documents 24/7 using the My Insite Member Portal.

While electronic communications have many advantages for members, you can ask to receive certain documents by mail. We encourage you to log onto the My Insite Member Portal to ensure your information is complete and accurate. If you have not yet provided us with your email address, please contact InBenefits, the Plan administrator, to ensure you do not miss important future announcements about your pension plan and pension benefits.

QUICK FACTS

The MSPP is regulated by the Financial Services Regulatory Authority of Ontario ("FSRA") and the Canada Revenue Agency ("CRA").

FSRA ensures Ontario-registered pension are complying with Ontario's pension law and that members are receive what they are legislatively entitled to receive. The CRA ensures pension plans are complying with the Income Tax Act.



A LOOK INSIDE ...

On page 2, Member Resources: Member support is our top priority.

On page 3, Member Service Pledge: Excellent customer service is our goal.

On page 4, Frequently Asked Questions: Common inquiries made by our members.



80.5% on October 1, 2023 largely due to the increase in interest rates, which reduced the Plan's liabilities.

In December of 2023, the MSPP had almost \$705 million in assets. On that date its membership included 23,100 active members, 2,337 pensioners and 5,400 former members who remain entitled to benefits from the plan.

Pension experts agree that for pension plans bigger is better. The growth of the MSPP has benefited its members by permitting it to invest in less volatile asset classes, which are not readily available to smaller pension plans. This growth has also helped reduce the investment fees the Plan pays on every dollar it has invested. The Trustees remain optimistic that their focus on the Plan's long-term sustainability will see the Plan through the current challenging times.

It looks like 2024 will be another bumpy ride for investors. Pension plans are bracing for more market volatility and the recession that many experts are predicting. While there is consensus that there will be a recession, there is no consensus as to how severe it might be. Adding to uncertainty, is that Ontario will soon release new funding rules for multi-employer pension plans, like the MSPP, which are expected to be more onerous than the current rules.

Resources and Support

The MSPP has a wide range of resources to help members understand their pension benefits. The MSPP website (www.mspp.ca) provides members with general up to date information about the Plan. Clicking on the Resource Centre link on the website home page will take you to valuable information for members including the member handbook, previous newsletters, member forms etc.

You can also call our Call Centre and speak to one of our Call Centre Representatives to have questions answered. The numbers to call are: 905-889-6200 (Option 2) if you are calling from Toronto, or 1-800-287-4816 if you calling from outside Toronto.

As noted on page 1, you can also use the My Insite Portal to get the information you need.

MY INSITE: THE MEMBER PORTAL

Need to get quick access to your pension details? Login to My Insite Member Portal anytime to view this information:

- View and update your personal or beneficiary information
- Use the pension estimate calculator to forecast your monthly pension at different possible retirement dates
- Request a pension application
- View the summary of the contributions received on your behalf
- View prior MSPP Annual Pension Statements or correspondence

Visit www.mspp.ca and click on the Member login at the top.



DID YOU KNOW?

The InBenefits Call Centre answers more than 25,000 calls per year. Our experienced staff strive to provide exceptional service to make sure you have all the information you need.

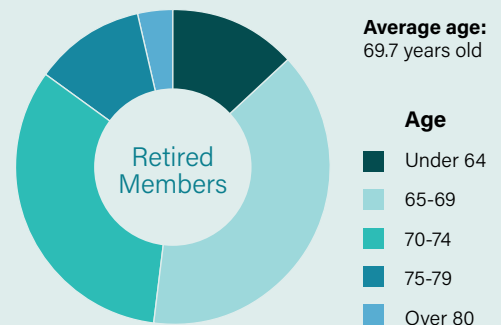
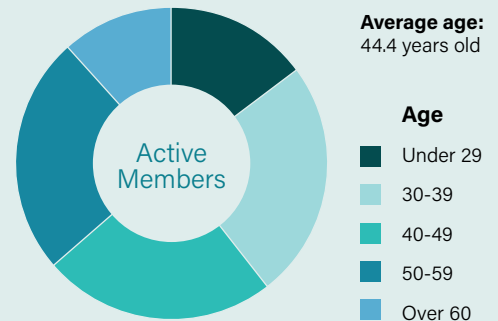
Some members who use the Call Centre will receive a feedback survey via email. Please take a moment to fill it out and let us know about the service you received. Your feedback will help us to continue to improve our service to members. We thank you in advance for your time and constructive feedback.

WE ARE AN SOMEPP

The MSPP is an Ontario Specified Multi-Employer Pension Plan ("SOMEPP") which means it is a special class of plans with 15 or more contributing employers and therefore much less likely to terminate. Currently, the MSPP has 281 contributing employers and is continuing to grow.

For more information about Plan's SOMEPP designation, please visit the "About the Plan" section located on our website www.mspp.ca.

ABOUT OUR MEMBERS



MEMBER SERVICE IS OUR FOCUS

Our main priority has always been to ensure that we are providing our members with quality service and accurate information. To do this, we have been working hard behind the scenes to provide you with the level of service you deserve whenever you interact with us. On an ongoing basis we implement various upgrades to our information and data systems, specifically, the MSPP website and its member and employer portals. We will always continue to strive to provide you with exceptional levels of service while continuing to administer the MSPP Plan in accordance with its governing documents and all applicable legislation.

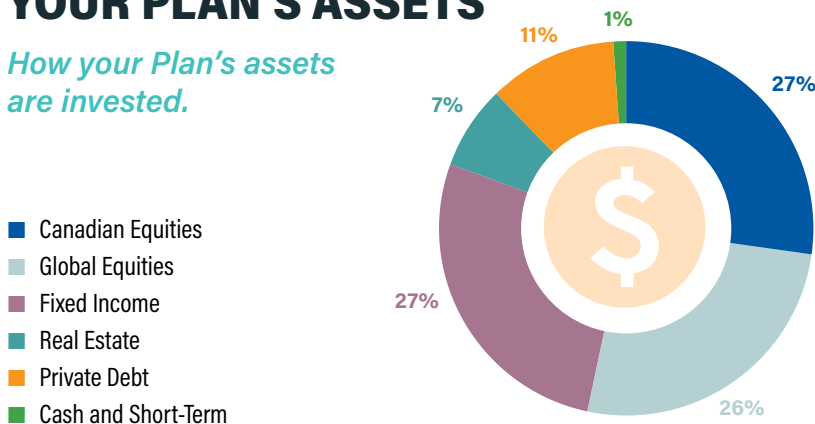


Our Service pledge to you:

- We are committed to providing you with prompt, efficient, and courteous service
- We promise to listen to your questions and address them
- We will always treat you with respect and dignity
- We will maintain confidentiality and protect your privacy
- We will always aim to answer your questions fully and clearly

YOUR PLAN'S ASSETS

How your Plan's assets are invested.



E-SITE: THE EMPLOYER PORTAL

Administration made quick, secure & easy!

Our Employer Portal is designed to help employers with pension administration!

Key Features:

- Enter and review pension remittances
- Real time reconciliation of Census and Remittance files
- Safe & Secure data transfers
- Ability to run historical reports
- Enroll and update employee information

Contact us if you would like to schedule a demonstration or if you have any questions at accountng@mspp.ca

WHO MANAGES YOUR INVESTMENT?

- Leith Wheeler Investment Counsel Ltd
- Fidelity Investments Canada
- Fiera Capital Corporation
- Bentall Green Oak
- Neuberger Berman Group LLC
- Northleaf Capital Partners
- Golub Capital
- CBRE Global Investment Partners
- Wellington Management
- Hamilton Lane
- HarbourVest
- J.P. Morgan

SAVING IS TOP OF MIND FOR CANADIANS

FSRA's polling shows that almost 90% of respondents feel that more needs to be done to encourage people to save for their retirement. About 60% said there is not enough public information about pensions out there to spark interest for members to begin thinking about their retirement savings.

In response to this growing concern, FSRA has created an annual Pension Awareness Day Campaign to encourage people to talk to their family and friends about retirement planning. This year's Pension Awareness Day Campaign launched on February 1st. Please visit www.fsrao.ca/pensionawareness for more information.



YOU ASKED, WE ANSWERED - Common FAQ'S

Q. I am a Plan member and want to sign in to the My InSite portal, but I can't find my member identification ("ID") number. What should I do?

A. Your member ID number is on most of your correspondence from the Plan or InBenefits. This includes your Welcome Letter, Annual Pension Statement, or Benefit Estimate. If you cannot find any of these documents, give us a call. The Call Centre will be able to provide you with your ID number after you answer some security questions.

Q. I am age 55+, can I move my accrued pension out of the Plan?

A. Former members can only transfer their MSPP benefits to a different retirement savings vehicle until they turn age 55. They can only do so if they complete their two year, break-in-service before turning 55. Please note we cannot provide you with a termination application until we receive your termination date from your former employer. After age 55, members and former members must receive a pension unless their benefits are very small.

Q. Can I work for a contributing employer and collect my pension at the same time?

A. The Income Tax Act does not allow members to receive a pension while accruing benefits in that same plan. Members that are part of the MSPP are unable to work for a contributing employer and collect their pension at the same time. The only way to begin collecting a monthly pension is to terminate from the contributing employer.

Q. What's the difference between early and normal retirement age of the Plan?

A. As a member of the MSPP, you can collect a pension as early as age 55. However, there will be a permanent reduction of approximately 6% for each year (or 0.5% for each month) you start your pension before age 65. This adjustment is necessary because you will receive your pension longer. The Plan's normal retirement age is 65. You can start to receive your full monthly pension on the first day of the month following your 65th birthday, provided you are not performing any work which requires contributions to be made to the Plan on your behalf. Please provide InBenefits with three months notice prior to your anticipated retirement date so that the necessary documentation can be reviewed and completed.

Q. What happens if I retire later?

A. You can continue to accrue an MSPP pension after you turn 65. Doing so will increase the size of your ultimate pension. However, the Income Tax Act requires the Plan to stop accepting contributions for members after November 30th of the year they turn 71. That means you must start receiving your monthly pension on December 1st of the year you turn 71.



KEEP IN TOUCH

Has any of your personal information changed?

If it has, please provide these changes to InBenefits so your file is always up to date.

If you have any questions about your Plan? Contact Us!

Email: info@mspp.ca

In Toronto:

905-889-6200 (Option 2)

Outside Toronto:

1-800-287-4816 (Option 2)

Fax: 905-889-7313

Address:

Multi-Sector Pension Plan
c/o InBenefits
310-105 Commerce Valley Drive West
Markham, Ontario L3T 7W3

You can also access Plan information online anytime at www.mspp.ca using the My Insite Member Portal.

MSPP BOARD OF TRUSTEES

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

Trustees

John Klein, Co-Chair, *SEIU*

Gary Yee, Co-Chair, *CUPE*

Christina Gilligan, *CUPE*

Heather Grassick, *CUPE*

James Richardson, *CUPE*

Kim Mantulak, *CUPE*

Kumar Ramcharran, *SEIU*

Julie Roberts, *CUPE*

Nathalie Stringer, *CUPE*

Colette Warnock, *CUPE*

Alternate Trustees

Laura Morton, *SEIU*



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.