

A message from your trustees

The legal framework for multi-employer pension plans changed in 2025

Here's what it means for your pension

As mentioned in the October 2024 issue of **MSPP Pension News**, a **new permanent legal framework for target benefit pension plans (TBPs)** - like the Multi-Sector Pension Plan - came into effect on January 1, 2025. This new **TBP** framework was anticipated by the pension industry for almost 20 years. In many ways, it will continue to be *"business as usual"* for the pension industry. It clarifies the legal framework and creates more certainty for multi-employer pension plans going forward. Pension plans have until 2028 to formally apply and become a TBP under the new regulations by the Financial Services Regulatory Authority of Ontario.



The window to apply for TBP status provides pension plans with the time to ensure they comply with the new regulations and policies of the new framework. The window will also provide an opportunity to work with the regulators in developing applicable policy to TBPs. A significant amount of work will have to be completed by MSPP's Board of Trustees prior to applying for TBP status - so stay tuned for future communications about the TBP journey.

Some of the additional work that will be required by the Board of Trustees includes developing formal pension funding, communication, and risk management policies in a format that complies with the new TBP framework. Although MSPP has considered the issues raised by the TBP framework, we will revisit them to ensure they comply with the new standards. In addition, the Board will have to prepare several financial models with their actuaries and legal counsel to ensure that the Plan meets the new regulations.

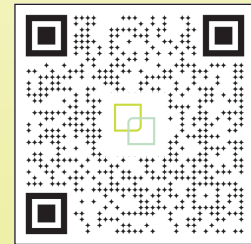
As always, the Board of Trustees will continue to focus on **long-term funding stability**, **communication effectiveness**, and **strong governance**.

Your mobile app is here!

Looking to estimate your pension, view your Annual Pension Statement, or update your personal or beneficiary information while you're on the go? You can do that and more using the new mobile app.

Downloading the app is easy

Simply scan the QR code using your phone's camera, click "Get" or "Install", and enter your phone's password.



Helpful tips

- You'll need your **My InSite username and password** to open the app.
- If you don't have a My InSite account, you'll need your **Member ID no.** to set up your account.
- If you can't remember your Member ID or need help downloading the app, contact the **MSPP call centre**.

Note: The app is free. Do not provide your credit card information if you see a message asking for that information.



A LOOK INSIDE ...

On page 2, Leave of Absences & Self-Payments: How to keep your pension growing when you're away from work.

On page 3, Annual Pension Statement: Access it on the mobile app and member portal.

On page 3, Pension Payment Options: About to retire? You'll need to select your pension payment option.

On page 4, You Asked, We Answered: Answers to some of your most frequently asked questions.

Multi-Sector Pension Plan
310-105 Commerce Valley Drive West
Markham, ON L3T 7W3



Self-payments keep your pension growing while you're on a leave

As you know, typically both you and your employer contribute to your pension. However, if you are taking an approved leave from work, those contributions could stop and as a result, your pension could also stop growing. To keep your pension on track, you may be able to make self-payments while you're away from work. A self-payment is when you make pension contributions yourself – with or without contributions from your employer – while you're on an approved leave of absence. Some self-payments require your employer to also contribute to the MSPP during your leave – but only if the member elects to make their contributions. For example, maternity and paternity leaves (and other statutory leaves) in Ontario require an employer to continue to make contributions to the Plan if the member continues to make contributions. This is a valuable benefit while you're on a leave.

You can make self-payments during many types of leave including:

- Maternity or parental leave
- WSIB/WCB
- Long-term disability (LTD)
- Layoff with recall rights
- Any other approved leave of absence

You can also make self-payments if you've left one contributing employer and started working for another employer participating in MSPP, until your new employer begins making contributions in accordance with your collective agreement.

Protected vs. non-protected leaves: How each type impacts your contributions

If your leave is protected under your province's employment standards legislation or your collective agreement, your employer may be required to contribute when you make self-payments. For some unprotected leaves, you can choose to make a self-payment that covers both you and your employer's contributions.

Self-payments are often beneficial

Your best option could be to continue making self-payments during protected leaves – you keep building your pension and your employer chips in too. For non-protected leaves, self-payments still help maintain your pension while you're not working.

How to make self-payments

InBenefits will send you a letter after your leave of absence is reported to us. The letter explains your options for making pension contributions during your leave. If you don't receive a letter from us within eight weeks after the start of your leave, and you are interested in making self-payments, please contact InBenefits (see the back page of this newsletter).

More information? Refer to your Members Handbook > Temporary Absences From Work (pg. 12)

Questions? Contact the MSPP call centre at 905-889-6200 / 1-800-287-4816 (select option 2) or email info@mspp.ca.

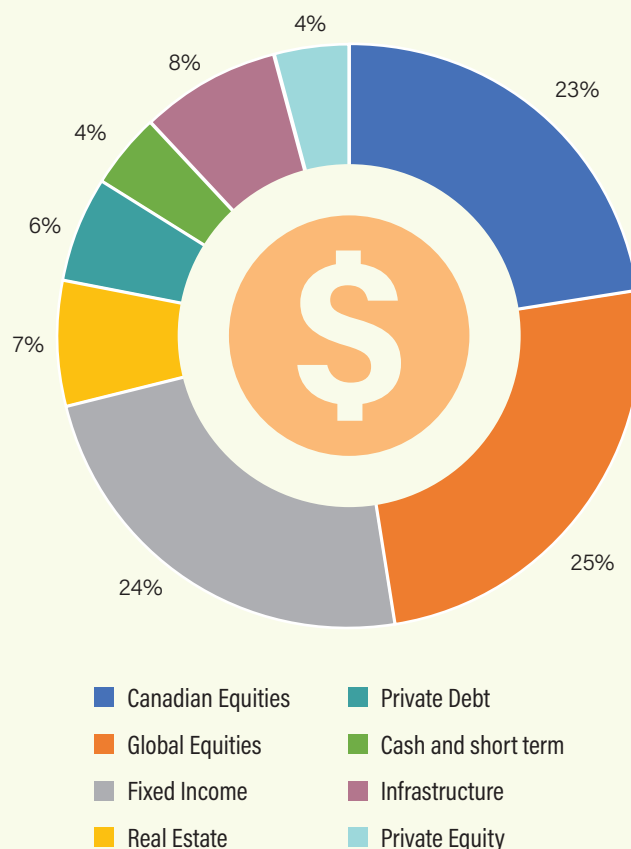
MSPP delivered impressive investment results in 2024!

We're pleased to share that **your Plan earned an investment return of 16.3%** in 2024, which exceeded its benchmark of 15.1%. For comparison, the Bank of New York Global Risk Solutions reported the 2024 Canadian Pension Plan median return at 12.28%. Over the longer term, **your Plan continues to deliver consistent results**, with an average annual return of **7.9%** since inception (Q3 2003) which outperformed its benchmark return of 7.3%. That is to say, the extensive work by the Board of Trustees and its consultants paid off – your Plan was among the **very best-performing pension plans in Canada**.

With rising tariffs, global tensions, and political uncertainty in the news, MSPP continues to be well positioned by diversifying its investments. As always, the Board of Trustees in conjunction with their consultants, will continue to monitor Plan risks and investment allocations.

The following chart indicates how you and your employer's contributions are invested. Diversification helps lower risk and smooth out returns which enables your Plan to stay strong in all types of economic situations.

How the Plan's money is invested



Ready to start your pension?

You'll need to select your pension payment option.

When you're ready to retire, you'll need to inform your employer about your retirement date, request a Pension Application package from MSPP, complete and submit the required forms, and select a pension payment option. Your choice will affect how much you receive each month and what your spouse (if you have one when you retire) or beneficiary may receive after you pass away.

The options available depend mainly on whether you have a spouse when your pension begins. Choosing an option that is right for you is extremely important as **once your pension starts, your selection cannot be changed**. We recommend reviewing your pension payment options with your spouse, family, and a financial advisor so you can choose the option that works best for you and your loved ones. No matter which payment option you choose, your MSPP pension is designed to provide you with a monthly benefit for the rest of your life.

Your options if you have a spouse when you start your pension

Under Ontario pension law, if you have a spouse when your pension starts, you must choose a payment option that gives you a lifetime pension and provides your spouse with at least 60% of your pension for their lifetime if you pass away first – unless they agree in writing to give up that right. This ensures your pension continues to support your spouse if you pass away before them. These options are called **Joint and Survivor Pensions**.

You can choose to have 100%, 75%, 60%, or 50% of your pension continue to your spouse after you pass away. If you want to select the 50% option, provincial pension law requires your spouse to sign a legal waiver, since the law normally requires at least 60%.

If you don't have a spouse (or your spouse has signed their pension waiver) when you start your pension

You have different options if you don't have a spouse when you start your pension. You can select one of the following pensions that provide a guaranteed number of monthly payments even if you pass away before reaching the full allotment of payments.

- 60 payments (5 years)
- 120 payments (10 years)
- 180 payments (15 years)

You can also choose a pension without a guaranteed number of payments

If you don't have a spouse, you can also select a pension without a guaranteed number of payments. With this option, you'll receive a higher monthly pension compared to one with a guaranteed number of payments. However, your pension payments will stop after you pass away.

Retiring early? The Level Pension Option provides a steady, predictable benefit

The Level Pension Option provides members (age 55 - 64) who retire with a **larger** pension payment **before** age 65, and a **lower** payment after age 65 when government pensions begin. At age 65, the combination of their MSPP pension and government benefits will approximately equal the pension they received before their government benefits began.

More information: See **Forms of Payment** on the MSPP website at www.mspp.ca > Members > Forms of Payment.)

Need more help? Contact our call centre (see back page of this newsletter) and a customer service representative will explain your pension payment options and answer your questions.

Why is your pension "locked in"?

We often are asked by members why they can't access/cash out their pension funds and why the funds are "locked-in". The reason is that pension legislation requires pension benefits to be "locked-in" – pension plans and contributions are both protected from most creditors, receive certain advantageous tax treatment, and are designed to provide a lifetime of benefits starting at retirement. As a result, the legislation requires pension benefits to be locked in to provide that retirement income.

There are some limited exceptions under pension legislation that permit waiving the locked in requirement, for example shortened life expectancy (supported by medical documentation) and financial hardship. To qualify as suffering from financial hardship, you must have ended all employment, not contributed to your MSPP pension for at least 24 consecutive months (also known as a break in service), and transferred your pension to a Locked-In Retirement Account (LIRA), Life Income Fund or (LIF), or another locked-in account.

Quickly access your Annual Pension Statement on the mobile app and member portal.

Your pension statement helps you keep track of your pension benefits. It includes your personal information, beneficiary information, the amount of annual pension you have accrued to the end of 2024, and your projected pension at age 65.

Please review all information in your statement

If any of the information in your statement is incorrect, outdated, or incomplete, please update it immediately using the **mobile app** or the **My InSite** member portal.

Questions?

Contact the MSPP call centre (see back page of this newsletter.)

YOU ASKED, WE ANSWERED

Q. Why is it important to provide your current list of beneficiaries?

- A.** Under Ontario pension law, your **eligible spouse** is automatically your sole beneficiary – unless they waive that entitlement by completing a waiver form and submitting it to InBenefits. It is also important to have a **designated beneficiary(ies)** in case your spouse dies before you do or if you don't have a spouse. If there are no beneficiaries listed in our records and you don't have a spouse on your date of death, your pre-retirement death benefit will be payable to your estate and may be subject to estate taxes and/or probate fees. You can quickly update your beneficiary information using the **MSPP mobile app** or **My InSite** member portal.

Q. Why is it important to keep my contact information updated?

- A.** Your contact information (i.e. address, email, and other personal information) helps InBenefits keep you informed about important pension updates, contact you when required, and send your Annual Pension Statement and other pension documents electronically, which is faster and more dependable than regular mail. Also, your request to process your pension application could be delayed if we don't have your correct contact information. You can quickly and easily review and update the information you provide to InBenefits through the **MSPP mobile app** and **My InSite** member portal.

Q. What are the best ways for keeping my personal information updated?

- A.** The **mobile app** and **My InSite member portal** enable you to quickly and easily keep your personal information updated. You can securely add, review and update your personal information and beneficiary(ies), view your Annual Pension Statements and other pension documents, and request your pension package from your phone, computer, or tablet anytime that's convenient for you.

To set up your My InSite account: Go to the MSPP website (www.mspp.ca) and click **Member Sign In** at the top of your screen, then **Set Up Account**, and follow the on-screen steps. You'll need your member ID number that appears on most MSPP communications.

To set up your mobile app account: Go to the APP Store (iOS) or Google Play (Android) and enter **MSPP** in the Search bar.

Need help? Email info@mspp.ca or contact the call centre at 905-889-6200 / 1-800-287-4816 (option 2).

Q. Why is interest on contributions shown on my Annual Pension Statement?

- A.** Pension legislation requires "interest on employee contributions", at a minimum, to be shown on your Annual Pension Statement. Interest on employee contributions indicates if your Plan complies with a pension regulation called the **"50% rule"** which ensures members don't fund more than 50% of the value of the pension they accrued.

If your contributions plus calculated interest equal more than 50% of the current value of your pension, this difference or "excess" may be refunded to you as a taxable lump sum amount, used to provide you with a larger pension, or transferred to your RRSP, another registered account, or another pension plan on a tax-sheltered basis.



KEEP IN TOUCH

Have questions about your Plan or how to update your personal information?

We're here to help!

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

Don't forget: You can update your personal information online through the MSPP mobile app or 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*

Lindsay Mills, *CUPE*

Colette Warnock, *CUPE*

Alternate Trustees

Jackie Walker, *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.