

CANADIAN UNION OF PUBLIC EMPLOYEES EMPLOYEES' PENSION PLAN (#0231910)

NOTICE

To: Members of the Canadian Union of Public Employees Employees' Pension Plan (the "CEPP") and collective bargaining agents representing Plan members
From: Joint Board of Trustees (the "JBT")
Date: November 2014
Re: Election of temporary funding relief measures for the report on the actuarial valuation of the Plan as at January 1, 2014

The purpose of this Notice is to advise you that, as Administrator of the Plan, the Joint Board of Trustees has elected to take advantage of the two funding relief measures available under the Ontario legislation for purposes of the actuarial valuation of the Plan as at January 1, 2014 (the "Solvency Relief Report"), which has been filed with government authorities. The disclosure information required under Section 5.9 (1) of the Regulation of the Pension Benefits Act (the "Regulation") is provided in this Notice.

In 2012, the government adopted additional measures that would provide temporary solvency funding relief to Ontario-registered defined benefit pension plans. A previous set of relief measures had also been introduced in 2009 following the significant decline of stock markets observed in 2008 and early 2009. The two funding relief measures introduced by the Regulation and elected by the JBT are: (a) the consolidation of prior solvency deficiencies under the Plan and the establishment of a new five-year schedule over which the consolidated deficiency is to be liquidated and (b) the extension from five to ten years of the period over which the new solvency deficiency revealed by the Solvency Relief Report is to be liquidated.

The adoption of the temporary relief measures does not impact the percentage of your benefits that are funded as at January 1, 2014, but it does extend the time period over which the solvency deficiency is to be funded. This election does not affect the security of your pension and ancillary benefits.

Additional information required to be disclosed under the Regulation is as follows:

- The estimated total contributions that would have been required in 2014 if no election had been made is \$18,823,300, while the total contributions required in 2014 after the election are \$18,591,300.
- The transfer ratio (ratio of market value of assets to wind-up liabilities) of the Plan as at the valuation date was 96.9%.

This Notice is for information purposes only and no action is required on your part. However, should you require more information on this matter, please contact sister Pierrette Perras at 613-237-1590 or pperras@cupe.ca.