

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

PROGRESS REPORT

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: June 2014
Re: Progress report with respect to the election of temporary funding relief measures for the report on the actuarial valuation of the Plan as at January 1, 2011

The purpose of this progress report is to provide the disclosure information required under Section 5.10(3) of the Regulations of the Pension Benefits Act (the "Regulations") with respect to the election of the temporary funding relief measures available under the Ontario legislation.

As Administrator of the Plan, the Joint Board of Trustees has elected to take advantage of the three funding relief measures available under the Ontario legislation for purposes of the actuarial valuation of the Plan as at January 1, 2011 (the "Solvency Relief Report"), which has been filed with government authorities. The Solvency Relief Report is the last report that was filed with government authorities. The actuarial valuation of the Plan as at January 1, 2014 is currently under progress and the report will be filed with the government authorities before the legal deadline of September 30, 2014.

At the time of the January 1, 2011 actuarial valuation, the three funding relief measures introduced by the regulations and elected by the JBT were: (a) the deferral by one year of the commencement of the special contributions required to liquidate the new solvency deficiency determined in the Solvency Relief Report, (b) 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 (c) 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 the most recent actuarial valuation, i.e. January 1, 2011, but it does extend the time period over which the solvency deficiency is to be funded. It does not affect the security of your pension and ancillary benefits.

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

- The estimated total contributions required in 2013 to fund the normal cost of the Plan and all special payments, as disclosed in the last report filed, are \$16,541,300.
- The transfer ratio (ratio of market value of assets to wind-up liabilities) of the Plan as at the valuation date of the last report filed was 95.6%.

This report 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.