

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 2016

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, 2014**

As mentioned in the notice that was provided to you in November 2014 (available on the Plan's website – www.cepp.ca), an actuarial valuation as at January 1, 2014 (the "Solvency Relief Valuation") was filed with government authorities.

As permitted under the Ontario legislation, the JBT has elected to take advantage of the two temporary funding relief measures available for purposes of the Solvency Relief Valuation. This progress report provides you with the information that must be disclosed as per 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 CEPP, the JBT has elected to take advantage of the two temporary funding relief measures available under the Ontario legislation for purposes of the Solvency Relief Valuation. A progress report was provided to you in June 2015 in that regard (available on the Plan's website – www.cepp.ca). Similar temporary funding relief measures were also available for the January 1, 2011 actuarial valuation and the JBT had also elected to take advantage of the then available temporary funding relief measures. For more information, please refer to the progress report that was sent to you in June 2014 (available on the Plan's website – www.cepp.ca).

At the time of filing the January 1, 2014 valuation, the following two temporary funding relief measures were available under the Regulations and were adopted by the JBT:

- (a) the consolidation of certain prior solvency deficiencies under the CEPP 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 under the Solvency Relief Valuation 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, 2014, 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 2015 to fund the normal cost of the Plan and all special payments, as disclosed in the last filed report, are \$20,189,600.
- The transfer ratio (ratio of market value of assets to wind-up liabilities) of the Plan as at the valuation date of the last filed report was 96.9%.

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.