

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

**NOTICE**

**To:** Members of the Canadian Union of Public Employees Employees' Pension Plan (the "CEPP" or the "Plan") and collective bargaining agents representing Plan members

**From:** Joint Board of Trustees (the "JBT")

**Date:** November 2017

**Re:** **Election of temporary and interim funding relief measures for the report on the actuarial valuation of the Plan as at January 1, 2017**

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The purpose of this Notice is to advise you that, as Administrator of the Plan, the Joint Board of Trustees (the "JBT") has elected to take advantage of two funding relief measures available under the Ontario legislation for purposes of the actuarial valuation of the Plan as at January 1, 2017 (the "Solvency Relief Valuation"), which has been filed with government authorities (valuation report available on the Plan's website – [www.cepp.ca](http://www.cepp.ca)).

This Notice provides you with the information that must be disclosed as per Section 5.9 (1) of the Regulation of the Pension Benefits Act (the "Regulation") with respect to the election of the temporary and interim funding relief measures available under the Ontario legislation.

Similar temporary funding relief measures were also available for the January 1, 2014 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 2017 (available on the Plan's website).

At the time of filing the January 1, 2017 valuation, the following temporary and interim funding relief measures were available under the Regulation 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 deferral for up to 24 months of the start of the period over which special payments are required to liquidate the new solvency deficiency revealed by the Solvency Relief Valuation.

The adoption of the temporary and interim funding relief measures has no impact on the amount that pension active members have already earned or on the pensions paid to our current retirees, but it does extend the time period over which the solvency deficiency is to be funded.

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

- The estimated total contributions that would have been required in 2017 to fund the normal cost of the Plan and all special payments if no election had been made are \$20,777,300 (with special payments increasing by \$12,475,800 per year in 2018 to fund the new solvency deficit).
- The estimated total contributions required in 2017 after the election has been made are \$20,672,600 (with special payments increasing by \$12,838,800 per year starting in 2019 to fund the new solvency deficit).
- 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 91.3%.

**This Notice is for information purposes only and no action is required on your part.**

Should you require more information on this matter, please contact Sister Pierrette Perras at [pperras@cupe.ca](mailto:pperras@cupe.ca) or at 613-212-4304.