

REPORT OF THE PENSION COMMITTEE TO GENERAL SYNOD 2025

The Pension Committee is responsible for the following pension and benefit plans:

1. *The General Synod Pension Plan (Canon VIII)*
2. *The Lay Retirement Plan (Canon IX)*
3. *The Long-Term Disability Plan (Canon VIII)*
4. *The Pension Endowment Funds (Canon VIII)*
5. *The Group Employee Benefits Program*
6. *The Self-Insured Death Benefit Plan*
7. *The Continuing Education Plan (Canon XII)*

The following is a summary of the work of the Pension Committee during the period June 2023 to March 2025.

1. GENERAL SYNOD PENSION PLAN (GSPP) – UPDATE

The GSPP is a target multi-employer plan currently registered with the Canada Revenue Agency as a Specified Multi-Employer Plan. The plan membership is currently composed of 3,061 pensioners and inactive members and 3,498 active members.

Conversion

The GSPP will be converting to a target benefit plan in line with the requirements of the recently released Ontario Target Benefit Pension Plan Framework. The Framework became effective on January 1, 2025, and it is expected that a Guidance document will be released in due course to assist stakeholders in interpreting and complying with the Framework in due course. In the meantime, the Pension Office is working in conjunction with Koskie Minsky LLP (Legal Advisors) and Eckler (Canada) Ltd (Actuarial Advisors) to ensure that the conversion is conducted within the stipulated timeframe.

Actuarial Valuations

Eckler (Canada) Limited, completed and filed a valuation in 2022 and the next valuation is proposed to be held by December 31, 2025.

Valuation Results: Going Concern (\$000s)

	Dec. 31, 2022	Jan. 1, 2020
Actuarial value of assets	\$1,043, 883	\$893, 288
Total liabilities	\$830,731	\$672,264
Going concern excess/(deficiencies)	\$213,152	\$221,024
Funded ratio	125.7%	132.9%

Valuation Results: Wind-Up (\$000s)

	Dec. 31, 2022	Jan. 1, 2020
Wind-up assets	\$1,006, 823	\$941, 526
Wind-up liabilities	\$948,892	\$964, 307
Wind-up excess/(deficiencies)	\$57,931	(\$22,781)

Valuation Results: Solvency

	Dec. 31, 2022	Jan. 1, 2020
Solvency assets	\$1,043, 883	\$892, 288
Total solvency liabilities	\$1,129,247	\$940,451
Total solvency excess/(deficiencies)	\$87,864	(\$48,163)
Solvency ratio	106%	98%

GSPP Expansion

The GSPP Expansion Committee continues to expand on existing initiatives and its network to attract new plan members. On the GSPP future marketing landscape, it has been determined that the plan could leverage its Anglican identity to pursue participating employers in the religious sector and other smaller organisations that would prefer deeper connections that are often hard to cultivate in large, superficial settings. It is also being considered that allocating a reasonable budget/resources to market the plan may be helpful in driving growth and expansion. The Committee acknowledges that the GSPP, as a pension plan, requires a targeted approach to expand its reach and the success of such an initiative can only be determined through direct effort and strategic engagement.

General Synod Pension Plan – Investment Performance

The market value of the assets of the GSPP as of December 31, 2024, was \$135,278,091

GSPP – Investment Returns – December 31, 2024

	3 months	6 months	1 year	4 years	10 years
Total Fund	2.11%	6.34%	11.73%	6.19%	8.18%
Total Fund Benchmark	2.22%	8.19%	14.95%	5.77%	7.53%
Excess Return	-0.11%	-1.86%	-3.22%	0.42%	0.65%
Quartile in Mercer’s Universe of Balanced Fund Portfolios	Q2	Q4	Q4	Q4	Q1

Membership in the GSPP

The total membership of the GSPP for the past 4 years is as follows:

Non-Retired Members	2021	2022	2023	2024
▪ Active	1,424	2,364	2,442	2,539
▪ Inactive	574	738	788	959
Total	1,998	3,102	3,230	3,498
Pensioners				
▪ Members	2,351	2,386	2,391	2,399
▪ Surviving Spouses	666	654	645	649
Total	3,017	3,040	3,036	3,048

Salary for Pension Purposes

The Pension Committee was made aware of discrepancies between Diocesan practices and the GSPP Pension Regulation 1.18 (Regulations of Canon VIII) regarding the definition of salary for pension purposes. In response, the Trustees consulted with Koskie Minsky LLP for legal advice and Eckler (Canada) Ltd for actuarial implications to assess the potential impact of proposed changes to the Regulation to address the discrepancy.

Following Koskie Minsky's recommendation and the Trustees' analysis, it was agreed that Diocesan practices should align with the Regulation. The wording of the Regulation will be clarified to specify the components of salary to be included in pension contribution calculations. The aim of these changes is to ensure that compensation amounts used by Dioceses in pension calculations are consistent with the wording of the pension plan regulations.

The potential effect of these changes is that the salary for pension purposes may be reduced for certain clergy members. As pension contributions are based on salary and pension benefits are derived from contributions, this may lead to a slight reduction in both contributions and benefits for some clergy members. To mitigate this impact, contribution rates will be increased to a total of 18% of salary for members whose employer contribution rate is currently 12.5%. In these cases, the employer contribution rate will rise from 12.5% to 13.0%, while the employee contribution will remain at 5% of salary.

It should be noted that the increase in the employer contribution rate (and corresponding pension benefit) will also apply to all members whose employers currently contribute at a rate of 12.5%, even though the amended salary definition will not result in a reduction of salary for pension purposes for all lay members and some clergy members.

The timing of these changes will be communicated later this year, following further analysis regarding the implementation process. In the meantime, no action is required by participating employers pending further instruction.

2. LAY RETIREMENT PLAN (LRP) – UPDATE

By way of background, the LRP (for which Canada Life was the provider) was amended to wind up, and contributions to the plan ceased. Effective January 1, 2022, all active LRP members began participating in the GSPP. Multiple options were provided to LRP members for managing their existing account balances, including transferring to the GSPP; transferring to Canada Life's Next Step RRSP; or opting for a lump sum payment. Members who did not make an election were advised that the plan sponsor or Canada Life could purchase a deferred annuity on their behalf.

Despite significant communication efforts, 488 members with account balances totalling about \$12M did not make an election regarding their LRP balances as of October 25th, 2023. In response to GSPP's proposal, FSRA accepted the proposal for small pension payments to about 250 of the remaining members and recommended that cheques be delivered to these members. This process has been implemented accordingly. The default option for the remaining members continues to be the annuity purchase.

The Pension Office is currently engaged in efforts to contact members who have not made an election and once this is completed further steps will be discussed with FSRA to resolve the pending elections for the members who have not yet made a decision.

3. THE LONG-TERM DISABILITY PLAN (LTD) (Members, who are disabled Jan. 1, 2005, or later)

The revised Long-Term Disability plan became effective on January 1, 2005. The plan allows self-insured benefits payable after 4 months of disability, for a maximum of 18 months and if disability continues, benefits are insured by Manulife.

Investment Management

These funds originally held by Letko Brosseau from January 31, 2007, to March 10, 2020, were transferred to Phillips, Hager & North (PH&N-RBC Global Asset Management Inc.) on March 11, 2020. The investment report from PH&N reflects that the one-year returns as of December 31, 2024, is 13.09% against a benchmark of 14.22% and the market value of the fund is \$2,026,934.

Statistics

For the self-insured plan, there were 15 claims and the average monthly payout from the LTD Plan for the period July 1 to December 31, 2024, was \$58, 939 compared to \$56, 617 for the period January 1 to June 30, 2024.

Claims Management

Oncidium was appointed as the Disability Manager effective January 1, 2017. Oncidium is an occupational health and disability management organization with extensive medical and rehabilitation expertise across Canada. Oncidium's role is to adjudicate new claims and assist employees throughout their long-term disability period by:

- Providing objective medical recommendations for each case.
- Maintaining confidentiality of personal medical information; and
- Providing support/advice on return-to-work processes and accommodation for a safe and timely integration to work activities if warranted.

4. THE PENSION ENDOWMENT FUND

Over the years, various donations and gifts have been made to the Endowment Fund with the request that they be used to supplement the pensions of retired members and their spouses.

Investment Management

These funds originally held by Letko Brosseau from January 31, 2007, to March 10, 2020, were transferred to Phillips, Hager & North (PH&N-RBC Global Asset Management Inc.) on March 11, 2020. The investment report from PH&N reflects that the one-year returns as of December 31, 2024, is 12.38% against a benchmark of 13.29% and the market value of the fund is \$5, 487,116

Statistics

In December 2024, we distributed a “13th cheque” to the GSPP pensioners and survivors in the amount of \$255,875. The endowment fund payments, previously made every July, are combined with the 13th cheque payments in December to simplify administration and reduce costs. Cards and letters of appreciation are sent on behalf of the pensioners to the donors for their thoughtfulness and to the Pension Committee for their stewardship in managing this fund.

Please note that in addition to making cash donations to the endowment fund, it is possible to give stocks and bonds with advantageous tax consequences to the donor/estate. An account has been set up to facilitate sales of any such securities which are given to the Endowment Fund.

5. THE GROUP EMPLOYEE BENEFITS PROGRAM

The following changes must be reported to the Pension Office, and not to Manulife directly:

- Address Change.
- Removal or Addition of a Dependent.
- Changes to Secondary Coverage through a Spousal Plan.

The following insured benefits are provided for active members under the Group Policy which are underwritten by Manulife Financial:

Life Insurance

Optional Life Insurance (For Member & Spouse)

Short Term Disability

Extended Health Care

Dental Care

Vision Care

Long Term Disability

6. THE SELF-INSURED DEATH BENEFIT PLAN (SIDB)

Investment Management

These funds originally held by Letko Brosseau from January 31, 2007, to March 10, 2020, were transferred to Phillips, Hager & North (PH&N-RBC Global Asset Management Inc.) on March 11, 2020. The investment report from PH&N reflects that the one-year returns as of December 31, 2024, is 15.70 against a benchmark of 17.14 and the market value of the fund is 5, 279,478.

7. THE CONTINUING EDUCATION PLAN (CEP)

The Pension Office is responsible for the day-to-day administration of the plan while policy decisions, educational support to members and the authorization of sabbatical/special grants are the responsibility of the Continuing Education Administrative Unit. The unit includes the Administrator of the plan and five members appointed by the Pension Committee. The administrative unit meets and reports to the Pension Committee twice a year.

Utilization

	2023		2024	
	Number	Amount \$	Number	Amount \$
Books	82	12,414	84	33,066
Computers	188	249,292	187	220,358
Courses	205	125,852	177	159,051
Educational Trips	31	90,348	23	59,421
Sabbatical Grants	12	36,141	21	67,675
Coaching/Spiritual Direction	24	9,491	16	15,266
Retreat	51	35,133	85	53,558
Other	21	16,166	15	11,595

CEP Website – Update

Effective April 1, 2025, the CEP website was taken down however users will be able to access relevant information including their CEP claims and balances using the “Check Your Balance” tab on the Pension Office website.

Assessments

The assessment to sustain the fund is \$900 per year effective January 1, 2021, from each member in respect of each of the member’s account holders. Assessments shall be paid quarterly and remitted within 30 days of the expiration of such period.

Review of Various Grants

Disparity Grant

Purpose

The Disparity Grant is provided to support CEP members who face significant barriers to accessing educational opportunities, particularly due to distance or lack of local resources.

Status

Following a recommendation from the CEP Committee for an increase in the amount allocated to Disparity Grant and the amendment of the attendant administrative guidelines, the Pension Committee approved that the Disparity Grant be increased to \$750 effective January 1, 2025, and a further increase to \$900 effective January 1, 2026.

Salary Source Account

Purpose

The Salary Source Account is used by employers to conduct group activities like clergy conference, pre-retirement seminars etc.

Status

The Pension Committee has approved that the Salary Source Account allocation be maintained at 5% for one-year effective January 1, 2025.

Bonus for Use

Purpose

This is added to withdrawals from individual accounts.

Status

The Bonus for Use to be continued at 10% for 2025. Both Salary Source and Bonus for Use will be revisited in September 2025.

Investment Management

These funds originally held by Letko Brosseau from January 31, 2007, to March 10, 2020, were transferred to Phillips, Hager & North (PH&N-RBC Global Asset Management Inc.) on March 11, 2020. The investment report from PH&N reflects that the one-year returns as of December 31, 2024, is 12.38 against a benchmark of 13.29 and the market value of the fund is 8,863,006.

8. 2023 AUDITED FINANCIAL STATEMENTS

The Trustees met with Bishara Rizek and Yasir Moin of BDO Canada LLP in May 2024. At the meeting, the Trustees reviewed and approved the 2023 Audited Financial Statements for the various plans. The said Financial Statements are available on the Pension Office website

9. OTHER

Pension Office Update

Margaret Davidson, Manager of Pension & Benefits of the Pension Office Corporation of the Anglican Church of Canada retired at the end of January 2025, after over 41 years of distinguished service. Margaret's invaluable contributions have significantly shaped the Pension office. Yvonne Ng, who has served as a Pension & Benefits Administrator for over seven years, stepped into Margaret's role effective February 1, 2025. Additionally, following Kathy Edgar's retirement on June 20, 2024, Emily Honoridez transitioned to the role of Manager of Finance & Systems on July 1, 2024, bringing with her 23 years of experience in the Pension Office.

Pension Committee Membership

Bishop Helen Kennedy was appointed as a member of the Pension Committee to fill the vacancy left by Bishop Mary Irwin-Gibson of the Diocese of Montreal, who resigned her membership on the Committee in May 2024. Board of Trustees Membership

Mr. Stephen Tam was appointed to the Board of Trustees for an initial term beginning October 18, 2024, and ending on May 21, 2027.

Appreciation

The Right Reverend William Cliff expressed his profound appreciation to the Pension Committee for their dedication and commitment to the GSPP as they complete their term on the Committee in June 2025. He thanked the Trustees, Asset Mix Committee, GSPP Expansion Committee, Governance Committee, Audit Committee, Central Advisory Group, CEP Administrative Unit, Governance Committee, Rekha Menon (Executive Director) and the entire Pension Office staff for their contributions and service.

Those members who would not be returning to the Committee following the General Synod expressed their appreciation for having the opportunity to serve on the Pension Committee. They also thanked the Pension Committee and the Pension Office staff for their dedicated service.

If you have any questions about any aspect of the Pension or Employee Benefits program, we will again have a Pension Office staff member at the General Synod who will be available to provide information on pension policies and answer questions.

For Action

Be it resolved that this General Synod confirm the amendments to the General Synod Pension and Benefits plans approved by the Council of the General Synod as attached to this resolution. Resolution No: A170.

Be it resolved that this General Synod confirm the amendments to the Continuing Education Plan (CEP) approved by the Council of the General Synod as attached to this resolution. Resolution No: A171.

Respectfully submitted by,

The Right Rev. William Grant Cliff
Chair, Pension Committee

Ms. Rekha Menon
Director of Pensions