



MEPP MATTERS

MUNICIPAL EMPLOYEES' PENSION NEWSLETTER

MEPP's Financial Status

The Municipal Employees' Pension Commission (the Commission) monitors the financial status of the Plan. They monitor whether the Plan currently has the funds to pay the pensions earned by its members. The Commission also monitors whether current member and employer contributions pay the value of benefits members are earning.

An actuarial valuation is a process the Commission uses to monitor the Plan's financial status. In this process, an actuary compares the Plan's assets to its liabilities then reports the findings.

The results. The Municipal Employees' Pension Plan (MEPP) has assets of \$1.123 billion and liabilities of \$1.119 billion. Because the assets are higher than the liabilities, MEPP remains fully funded and has a small surplus of \$4.772 million. This means that the Plan has the assets to pay the pensions earned by its members.

MEPP's financial status as at December 31, 2005 is set out in this table.

MEPP Assets and Liabilities		(in thousands)
Assets		
Investments		\$ 1,220,631
Investment Reserve ¹		(97,126)
Total Assets		\$ 1,123,505
Liabilities		
Liabilities		\$ 1,059,532
Actuarial Surplus	\$ 63,973	
Reserves		
Liability Reserve ²		26,914
Expense Reserve ³		32,287
Total Reserves		59,201
Total Liabilities		\$ 1,118,733
Surplus		\$ 4,772

Reserves are established to provide protection to the Plan.

¹The investment reserve is established to cover a potential decline in the value of investments.

²The liability reserve is established to cover the shortfall in contributions expected over the next three years.

³The expense reserve is established to cover the future cost of paying all benefits earned.

(Continued on Page 2)

In This Issue:

Valuation Continued..... 2

**Municipal Employees' Pension Commission
New Members** 2

**MEPP Communications
Update**..... 3

**MEPP Presentations
2006 Reviewed**..... 3

**Pensioner's Corner
Survivor Benefits** 4

**Dear MEPP
How to Apply for Pension Benefits** 4

The actuary estimates the value of benefits earned in 2006 to be \$42.2 million. Contributions from members and employers will total \$32.3 million. This means that the member and employer contributions do not pay the value of benefits earned during the year. The Plan's investment earnings must fund \$9.9 million in 2006. This amount is included in the liability reserve.

The estimated value of benefits and contributions for 2006 are set out in this table.

Benefits and Contributions for 2006		(in thousands)
Estimated value of benefits earned		\$ 42,173
2006 employee contributions	\$ 16,135	
2006 employer contributions	\$ 16,135	
Total contributions		\$ 32,270
Amount to be funded from earnings		\$ 9,903

What are the Plan's assets and liabilities? The investments owned by the Plan are its assets. The Plan's liability is the total value of all benefits owed to the members. A plan can determine its total liability by adding the values of all active and deferred pensions, plus the expected remaining payments for all pensions being paid.

The full valuation is available on the Public Employees Benefits Agency (PEBA) website at www.peba.gov.sk.ca. To reach the MEPP home page, click on the MEPP tab once you are on the PEBA website.

Commission Members

Commission Member	Appointing Body
Earl Braun	Associations representing Designated Police Officers and Firefighters
Richard Buettner	Saskatchewan School Boards Association
Allan Johnson	Regional Colleges/Regional Libraries
David Marit	The Saskatchewan Association of Rural Municipalities
Carrie McCoshen	Trade Unions that represent employees who are members of the Plan
Bonnie Orziny	Saskatchewan School Boards Association
Ralph Paquin	The Saskatchewan Association of School Business Officials
Orrin Redden	The Urban Municipal Administrators' Association of Saskatchewan
Jim Reiter	The Rural Municipal Administrators' Association of Saskatchewan
Roland Zimmer	The Saskatchewan Urban Municipalities Association

In September the Commission welcomed two new members.

Ralph Paquin replaced Ron Walter as the representative from the Saskatchewan Association of School Business Officials (SASBO).

Roland Zimmer replaced Keith Schneider as the representative from the Saskatchewan Urban Municipalities Association (SUMA).

The Commission is responsible for the administration of the Municipal Employees' Pension Plan. The 10-member Commission elects the Chair and Vice-chair. The full term of office for Commission members is four years.

At the September 15 meeting of the Commission, Bonnie Orziny was elected as the new Chair of the Commission replacing Jim Reiter. Carrie McCoshen was elected as the new Vice-chair replacing Bonnie Orziny.

Visit us at www.peba.gov.sk.ca/mepp/mepphome.htm

MEPP Exchange: Communications in Motion

In 2005, the Commission identified the need for a comprehensive communication plan for MEPP. The Commission hired Mercer Human Resources Consulting (Mercer) to develop a strategic communication plan. The communication plan is called MEPP Exchange:

Communications in Motion. MEPP Exchange will serve as a road map for communicating with plan members and employers.

MEPP Exchange is a three-year communication plan with goals to help MEPP better provide accurate and up-to-date pension information to members. MEPP Exchange will also guide communications with employers.

This communication plan will promote understanding of the pension plan and help MEPP provide a higher level of customer service. As well, the Commission will explore methods to more effectively consult with those who have an interest in the plan.

While developing the communication plan from September 2005 to April 2006, Mercer reviewed existing MEPP communication materials. Mercer looked at best practices and emerging trends in the pension industry and conducted focus testing. The focus testing groups were recruited from active MEPP members, employers and retirees

in Swift Current, Prince Albert, Yorkton and Estevan.

MEPP for Laughs

*I enjoy
waking up
and not having to
go to work.*

*So I do it three or four
times a day.*

-Gene Perret



MEPP Presentations

MEPP presentations include information on many topics, including participating in the plan, termination, pension calculations, eligibility for retirement and other plan provisions.

In 2006, MEPP gave eight presentations on the Plan to 194 members. Presentations were given to:

- Prairie Valley School Division in Wolseley;
- City of Humboldt;
- Town of Hudson Bay;
- Creighton School Division;
- Northlands College conference in Creighton; and
- Saskatchewan Rivers School Division in Prince Albert.

MEPP also provided Plan information at three trade shows – two in Saskatoon and one in Regina.

If there are 20 (or more) members in your area interested in attending a presentation about the Plan, MEPP would be happy to oblige.

To arrange for a presentation, contact MEPP at 1-877-506-6377.

Pensioner's Corner

About the Survivor Benefit

If you have a spouse when you retire, your pension covers you and your spouse. This makes your spouse at retirement your joint pensioner.

Your joint pensioner is different from other beneficiaries. Your joint pensioner is the only person entitled to a survivor benefit if you die after your guarantee period ends. Other beneficiaries will receive payments from the Plan only if you die before the end of the guarantee period.

The survivor benefit is the percentage of your full lifetime pension that is payable to your joint pensioner:

- after you die; and
- after the guarantee period ends.

When you retired, you chose either a 60 per cent, 75 per cent or 100 per cent survivor benefit. This is the percentage of your lifetime pension that will be paid to your joint pensioner as a survivor benefit. This cannot be changed after you receive

your first pension payment.

If you die before the end of the guarantee period, your joint pensioner receives the payments remaining in the guarantee period. After the guarantee period ends, your joint pensioner receives monthly survivor benefit payments for as long as he or she lives. These payments will be at the survivor benefit percentage you chose at retirement.

If you die after the guarantee period ends, your joint pensioner receives monthly survivor benefit payments for as long as he or she lives. These payments will be at the survivor benefit percentage you chose at retirement.

If you enter a spousal relationship after you retire, the Plan does not provide a survivor benefit to your new spouse. You can, however, name your new spouse as a beneficiary of any payments remaining in your guarantee period.

Dear MEPP

MEPP *Matters* is looking for questions from members. If there is anything that you want to know about MEPP, please send your questions to *Dear MEPP*. Here is a question MEPP received recently:

Dear MEPP: What do I have to do to start receiving my pension?

Dear MEPP Member: There are several steps you must take before you receive your pension, so start early.

Request a pension estimate at least six months before you plan to retire. This gives you time to consider your options.

To give MEPP enough notice to start paying your pension, six weeks to two months before you want to receive pension, submit:

- an *Application for Pension Benefits* form;
- a *Retirement Declaration* signed by you and your pre-retirement MEPP employer (This form declares that there has been no casual or formal discussion or commitment that you will return to work in any significant capacity.);
- a *Designation of Beneficiary at Retirement* form; and
- federal and provincial TD1 forms so that the correct amount of income tax can be deducted from your pension payments.

MEPP will inform you of any other information or documents needed to process your application.

You may address any inquiry or complaint regarding the administration of the Municipal Employees' Pension Plan to the Public Employees Benefits Agency (PEBA) at:

1000 - 1801 Hamilton Street
REGINA SK S4P 4W3

Hours: Monday to Friday 8:00 a.m. to 5:00 p.m.

Phone: Toll-free 1-877-506-6377 - In Regina 787-2684

E-mail: mepp@peba.gov.sk.ca

Fax: 1-306-787-8822

PEBA will respond to all pension-related inquiries or complaints. If a complaint cannot be resolved, PEBA will provide you with details of the procedure for having your complaint heard by the Municipal Employees' Pension Plan Commission.

MEPP Matters is published as a service to the members of the Municipal Employees' Pension Plan (MEPP). This newsletter provides general information about MEPP and its operation. It does not replace or supersede the legislation governing the Plan. The articles contained in this newsletter have been carefully compiled from sources believed to be reliable, but their accuracy cannot be guaranteed. Suggestions are welcome.

Visit us at www.peba.gov.sk.ca/mepp/mepphome.htm