



MEPP MATTERS

Fall 2010

WANTED: Your opinions **REWARD: Chance at \$100 cash card!!!**

Answer and return the Plan survey included with this newsletter and you could win a \$100 cash card!

With more than 13,000 active members and \$1-billion in total assets, your Municipal Employees' Pension Plan (MEPP) is one of the largest and most successful pension plans in the country. We want to keep it that way!

To ensure that MEPP continues to meet your needs, we are conducting a survey of the full membership. We want, need and value your input.

In addition to the survey enclosed with this newsletter, you also have access to an electronic version of the survey if you prefer to answer the questions online. Either way, your responses will give us valuable insight into:

- how well the Plan meets your needs;
- what you like – and don't like – about the Plan;
- how well we're communicating; and
- what, if anything, you might like to see changed.

The survey should take about 15 minutes to complete – a small investment of your time given the importance of your pension. Better yet, you can choose to submit your name for a chance to win one of three \$100 cash cards for your efforts. Your survey responses must be received by December 10, 2010 to qualify for the draws.

Submit your survey by the deadline for one chance to win, submit it early (by December 3) for two chances, submit it online for an additional chance to win. Total of three chances to win!

Your survey responses will be completely anonymous. Your input will go directly to Eckler Ltd., a firm contracted to administer this survey for the Municipal Employees' Pension Commission. Eckler will compile and report summary information to the Commission that will be used strictly for planning purposes. Highlights of the results will be communicated to all members in 2011.

This is your chance to help us, help you. We urge you not to miss it.



2009 Going-Concern Valuation

The Municipal Employees' Pension Commission uses the actuarial valuation to assess the financial health of the Plan. The two main objectives are to determine:

1. if the Plan has sufficient funds to pay all earned pensions and pensions currently being paid; and
2. whether contributions pay the value of pensions members are earning year by year.

Objective 1: In the valuation process, an actuary determines the total value of the liabilities (pensions promised) of the Plan and compares that to the Plan's assets. If assets are greater than liabilities, the Plan is fully funded. This table summarizes the results of the actuarial valuation completed as at December 31, 2009.

Results: The actuarial valuation prepared by Eckler Ltd., Consultants and Actuaries, for the year ended December 31, 2009 showed that MEPP has a surplus of \$73.9 million.

(Millions of Dollars)	
Assets	
Investments	\$1,257.9
Investment Reserve ¹	62.9
Net Assets	1,320.8
Liabilities	
Actuarial Surplus	101.6
Reserves	
Liability Reserve ²	(18.5)
Expense Reserve ³	(9.2)
Surplus	<u>\$73.9</u>

Reserves are established to provide protection to the Plan.

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

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

³ The expense reserve is established to cover administration expenses for the next three years.

Solvency Valuation Results

There are two valuations done each year – a going-concern valuation and a solvency valuation. The going-concern valuation determines whether the Plan has the resources needed to continue to operate indefinitely. The solvency valuation determines whether the Plan has the resources needed to complete a hypothetical plan closure on the valuation date.

The solvency valuation indicates the value of Plan assets would be greater than the liabilities if the Plan were to be closed (wound up) on December 31, 2009. This means the solvency valuation is showing a surplus. The surplus is \$9.1 million.

Both valuations - going-concern and solvency - are important. The results of these valuations show that the Commission does not need to take any further action beyond the contribution increase scheduled for 2011. The Commission will continue to assess the financial health of the Plan through annual valuations.

Solvency Basis	
(Millions of Dollars)	
Assets at market value	\$1,257.9
Adjustment*	63.1
Expenses of plan wind-up	(6.5)
Net assets for solvency purposes	1,314.5
Total solvency liabilities	1,305.4
Surplus	<u>\$9.1</u>

*The adjustment to the assets is the effect of asset smoothing.

Contribution Rates

Effective January 1, 2011 contribution rates will be increasing for members and employers.

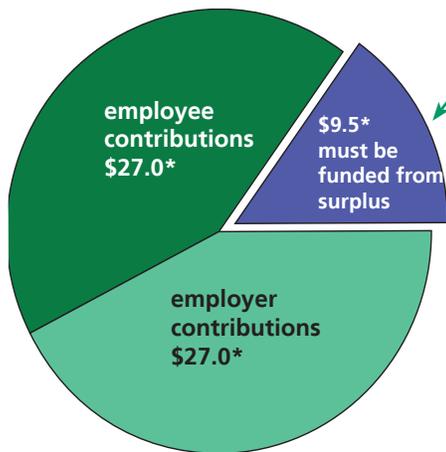
Contribution Rates as of January 1, 2011	
General members	7.40%
Emergency members	10.20%

Season's G

**To You and Your Family
for a
Happy Holiday S
a Prosperous N**

*From: Municipal Employees' Pe
the Public Employees Benefi*

Objective 2: The valuation compares the estimated value of benefits earned by members and the estimated employee and employer contributions expected in 2010 and identifies any gap or shortfall.



Full cost of benefits earned 63.0*
*in millions of dollars

Results: The valuation results show that contributions do not pay the full cost of the pensions being earned. The projected shortfall or gap for 2010 is \$9.5 million. This amount will be funded from surplus.

The contribution rate increase planned for January 1, 2011 is expected to reduce the projected gap for 2011.

The complete Actuarial Valuation as at December 31, 2009 is posted on the MEPP website.

Online Registration Upgrades

In early 2011 we will be upgrading our online registration process for Public Employee Benefits Agency (PEBA) workshops. This means that it is more convenient and easier for you to register online for a PEBA workshop.

Registration will take you to an automated calendar. Those registering can view a list of all upcoming events, see details for each event, then register, update, or cancel their registration, all online. Registrants will receive a confirmation e-mail, a reminder e-mail closer to the event date and, if required, notification of any changes to an event.

Greetings

with Best Wishes

Season and
New Year

Pension Commission and
Public Employee Benefits Agency (PEBA)



Sign up to date on Plan news and benefits

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 are some questions MEPP received recently:

Dear MEPP:

I want to use the MOR_e Planner, but I need my member number to sign in. Where do I get my number?

Dear Member:

Your member number is displayed on your annual member statement. You can also phone MEPP and we will look it up for you.

Your member number is your identifier with the Plan - both online, and in person. Record your number somewhere handy. If you call us, we will ask for this number; if you write to us, please include it with your correspondence. This helps us to provide you with the best possible personal service.

Dear MEPP:

I've used the MOR_e planner, and my pension amount isn't changing when I make contributions - why is that?

Dear Member:

Two reasons - First: Your information is uploaded to MOR_e once a year. So if you are checking throughout the year, your pension amount won't change. Check the planner each March to see your updated information. You will see what effect one more year of service, and perhaps a salary increase have made on your future pension.

Second: Your MEPP pension is not based on your contributions. It is calculated using your years of service and your salary. Pensions that base the benefit on contributions and earnings are totally different. Generally, those plans only pay a pension until the money runs out. Your MEPP pension will be paid for your *lifetime*. See the MEPP In-Depth on *Calculating Your Pension* for more details.

Making New Links With MEPP

This year, the Municipal Employees' Pension Commission is moving toward a more integrated relationship between the funding policy and the investment policy for MEPP. It will take some time to finish putting all the pieces in place. We will keep members informed as the linking of policies proceeds.

By establishing a relationship between the two policies, the Commission has moved to a longer-term perspective for managing assets and liabilities. Together, the policies help the Commission manage risk and ensure the Plan is financially stable. This works to achieve the Plan's goals of secure benefits for members and stable contribution levels for both members and employers.

Linking the policies also means a more streamlined decision-making process for investments and funding.

What does this change mean for members? A stable plan means stable contributions and benefits you can count on.

This is just the beginning. In the new year MEPP will send a letter to all members with more details about the linking of the policies.



Attention Pensioners

From time to time we need to attempt to ensure that the correct people are receiving pension payments.

MEPP pensioners can expect a letter requiring your signature to confirm you are indeed receiving your MEPP pension. The named pensioner must sign the letter and return it.

Commission Members

Appointed on behalf of employers

Roland Zimmer	The Saskatchewan Urban Municipalities Association
Bonnie Ozirny	Saskatchewan School Boards Association
Ray Sass	Saskatchewan School Boards Association
Jim Hallick	The Saskatchewan Association of Rural Municipalities
Allan Johnson	Appointed by associations that represent regional colleges as defined in <i>The Regional Colleges Act</i> and regional libraries as defined in <i>The Public Libraries Act, 1996</i>

Appointed on behalf of employees

Kevin Ritchie	The Rural Municipal Administrators' Association of Saskatchewan
Ralph Paquin	The Saskatchewan Association of School Business Officials
Orrin Redden	The Urban Municipal Administrators' Association of Saskatchewan
Betty Moleski	Trade Unions that represent employees who are members of MEPP
Earl Braun	Associations that represent firefighters and police officers who are members of MEPP

Express Address

Express Address is making moving easier.

It is a convenient way to update your address for your MEPP pension along with several other public services.

It is secure, easy to use and you choose which organizations receive your information.

Go to expressaddress.com today and make your move easier!

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.

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