



Mepp Matters

Start My Pension!

The Municipal Employees' Pension Plan (MEPP) provides a pension for your entire lifetime, and if you have a spouse, that person will receive a survivor benefit for his/her lifetime after you die. There are several things that need to happen, including some paper work, to get you started. It is a good idea to start this process a couple months before your expected retirement date. Here's your "Start my Pension List."

Please complete these five forms to get the retirement ball rolling:

- Application for Pension Benefits*
- Retirement Declaration* - sections one and two
- Designation of Beneficiary at Retirement*
- Personal Tax Credits Return
- Provincial Personal Tax Credits Return

*These forms are available on the MEPP website.

Your employer must:

- Submit a Termination form.
- Remit all contributions and salary information. You will not be paid out or put on pension payroll until MEPP receives all the contributions from your employer and the contributions are posted to your account.
- Complete sections three and four of your Retirement Declaration form. It is important both you and your employer complete all sections of this form.

MEPP - a LIFE-LONG
pension for you *and*
a survivor benefit for
your spouse's lifetime!

Voilà! A smooth transition to retirement!

Effective January 1, 2019 ...

If you qualify to retire when you stop working there will not be an option to transfer the value of your pension out of MEPP.

If you are already eligible for a pension, or will be eligible by December 31, 2018 and you wish to transfer your pension value out of Plan you must both:

- ensure MEPP receives written notice by December 31, 2018 of your intent to transfer out your benefit; and
- stop working by December 31, 2018.

Your member statement shows when you qualify for a pension. If you are not eligible to retire when you stop working you will still have the option to transfer your MEPP pension value.

Members who choose to stay in MEPP will enjoy a life-long pension with survivor benefits for their spouses (if applicable).

2017 Going-concern results

The Commission uses the actuarial valuation to assess the financial health of the Plan. Two types of valuations are done for defined benefit pension plans, Going-concern and Solvency.

The Going-concern Valuation determines whether the Plan has the resources needed to continue to operate indefinitely.

In the Going-concern Valuation process, an actuary determines the total value of the liabilities (current pensions in pay and future pensions) of the Plan and compares them to the Plan's assets. If assets are greater than liabilities, the Plan is fully funded and in a state of surplus.

The table summarizes the results of the Going-concern Valuation completed as of December 31, 2017. The valuation shows that MEPP had a surplus of \$321.8 million; this increased in comparison to last year's surplus of \$198.4 million.

The Going-concern Valuation shows the Plan is 116.1 per cent funded which increased from 110.1 per cent last year.

2017 Solvency results

A Solvency Valuation helps the Commission assess whether the Plan has enough assets to pay the Plan's liabilities, if it were to close on the valuation date. The Solvency Valuation results also determine the holdback rate applied to termination benefits.

The 2017 Solvency Valuation shows a deficit of \$251.6 million. This means that had the Plan closed on December 31, 2017, there would not have been enough assets to cover the Plan's liabilities.

The Plan's solvency ratio at December 31, 2017, is 90.7 per cent which has increased from last year's funded ratio of 87.5 per cent. Because the Plan has a solvency deficiency, there is a requirement for holdbacks on payouts of commuted values for a period of five years. The holdback rate decreased to 9.3 per cent — a 3.2 per cent decrease from 2017. This change came into effect October 1, 2018.

All pensions continue to be paid in full.

Going-concern Basis

(Millions of Dollars)

Assets	\$2,326.2
Liabilities & Reserves*	<u>2,004.4</u>
Surplus	<u>\$321.8</u>
Funded Ratio (%)	116.1

*Reserves are established to provide protection for the Plan.

Solvency Basis

(Millions of Dollars)

Assets	\$2,458.3
Liabilities & Reserves*	<u>2,709.9</u>
Deficit	<u>(\$251.6)</u>
Funded Ratio (%)	90.7

*For details on the holdback and contribution rates, visit our website.



This newsletter provides general information about MEPP and its operation. It does not replace or supersede the legislation governing the Plan.

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