



Investing for
YOUR future

Pension Plan Annual Review

CBC Pensioners National
Association

Annual General Meeting

May 15th, 2019


AGENDA

- **PENSION PLAN STRUCTURE**
 - Comparing pension plans
 - CBC Pension Plan characteristics
 - CBC Pension Board Governance

- **2018 FINANCIAL AND PERFORMANCE HIGHLIGHTS**
 - Asset Profile and Performance
 - Funded Positions - Assets vs Pension Obligations

- **PENSION ADMINISTRATION SERVICES UPDATES**

- **2018 ACCOMPLISHMENTS & 2019 OBJECTIVES**



Pension Plan Structure

Comparing YOUR Pension Plan

	CBC's Defined Benefit (DB)	VS	Defined Contribution (DC)
Philosophy	To provide our members with lifetime retirement income.		To help individuals accumulate retirement savings during their active career.
Contributions	Members and CBC contribute a set percentage of the member's salary. Member and CBC contributions are invested in the pension fund and used to pay the member's lifetime pensions.		Individuals and employers contribute a set percentage of the individual's salary. Monies are deposited in a personal account set up in the individual's name.
Investment decisions	Our professionals manage all investments based on strict guidelines established to protect plan members.		Individuals decide how their money is invested, usually based on a range of available investment options.

Comparing YOUR Pension Plan

	CBC's Defined Benefit (DB)	VS	Defined Contribution (DC)
Income at retirement	<p>Pension income is based on earnings and service in the plan — the more service, the bigger the pension will be.</p> <p>Once members start receiving their pension, they receive it for life.</p>		<p>The money in the individual's account is used to buy an annuity or transfer to a RRIF (a monthly income stream).</p> <p>The size and length of this income will depend on various factors such as total contributions, investment returns, and interest rates. It is not certain the income will last for life.</p>
Ancillary benefits	<p>Our DB plan offers additional benefits such as:</p> <ul style="list-style-type: none"> • inflation protection • early retirement benefits • survivor benefits • disability benefits 		<p>At retirement, individuals may be able to buy a lifetime annuity that includes some additional benefits such as inflation protection — but these extras tend to be expensive, which reduces the amount they'll have available to provide an income stream.</p>

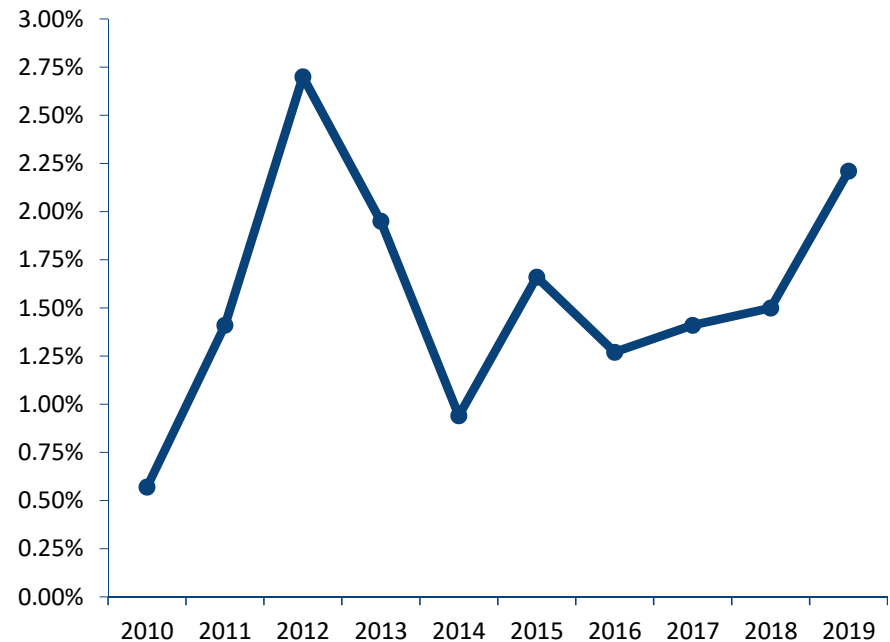
YOUR Defined Benefit Advantage

- ✓ Security of regular monthly income rather than savings.
- ✓ CBC/Radio-Canada shoulders the investment risk, not you.
- ✓ As members, you don't have to worry about making investment decisions or tracking investments because highly qualified investment professionals are managing your Plan.
- ✓ Pensioners receive a lifetime pension indexed for cost of living.
- ✓ Provides important survivor benefits.

YOUR Defined Benefit Advantage

- CBC pensions increase by 100% of the increase in the Canadian Consumer Price Index (CPI), up to a maximum of 2.7%.
- Indexation, effective January 1, 2019 was 2.21%

Annual Pension Indexation
10 year review



The Pension Plan Promise



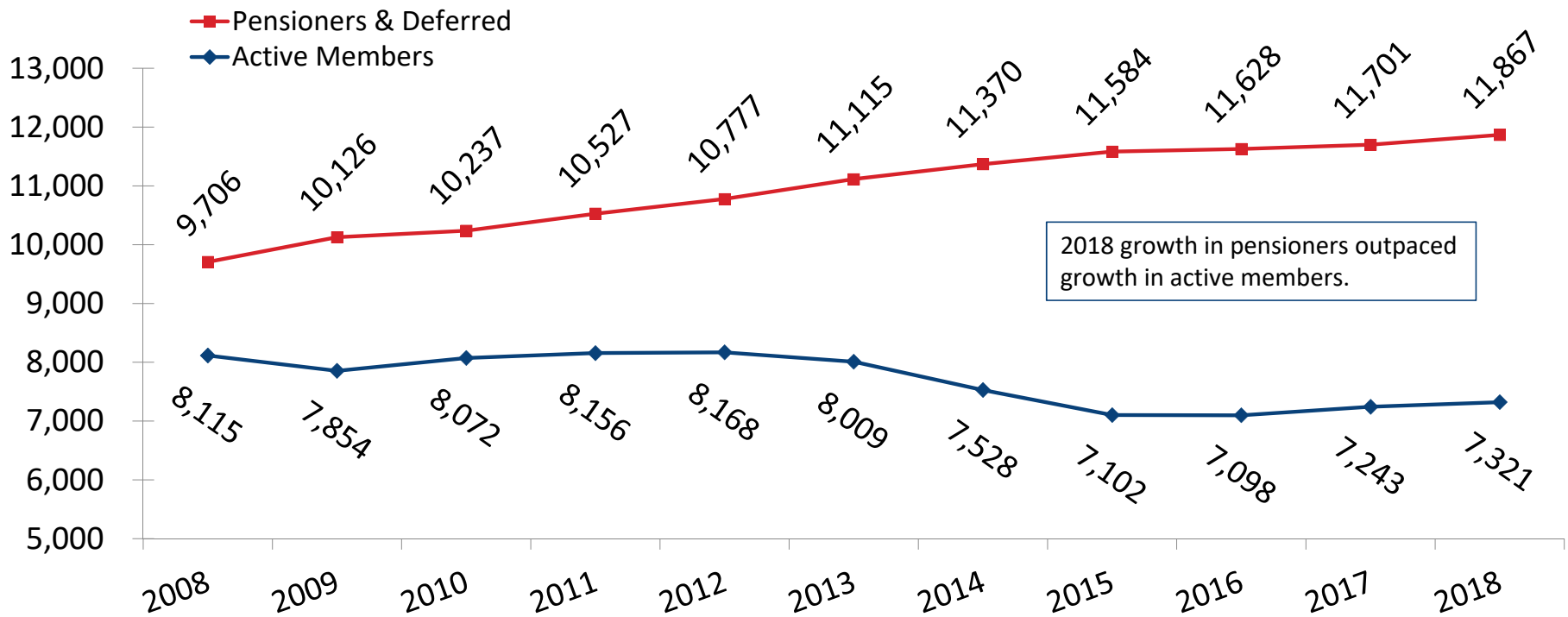
The CBC Pension Plan is a mature pension plan with more pensioners than active contributors

In 2018, for every \$1 of contribution to the Plan, \$2.85 of benefit payments were made

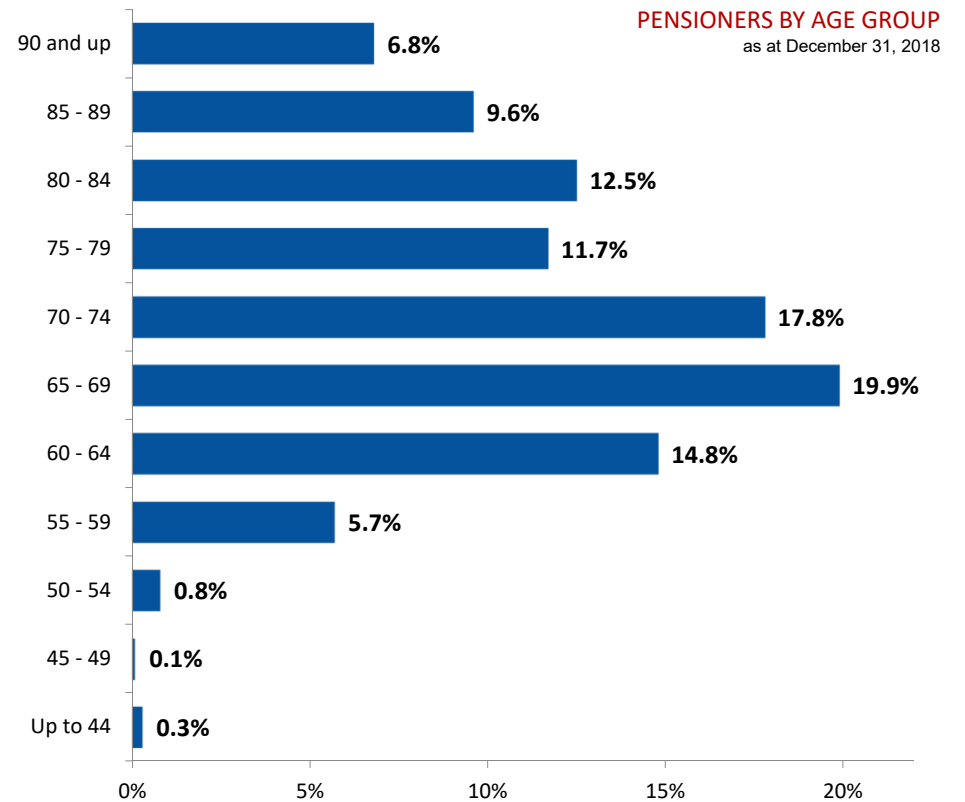
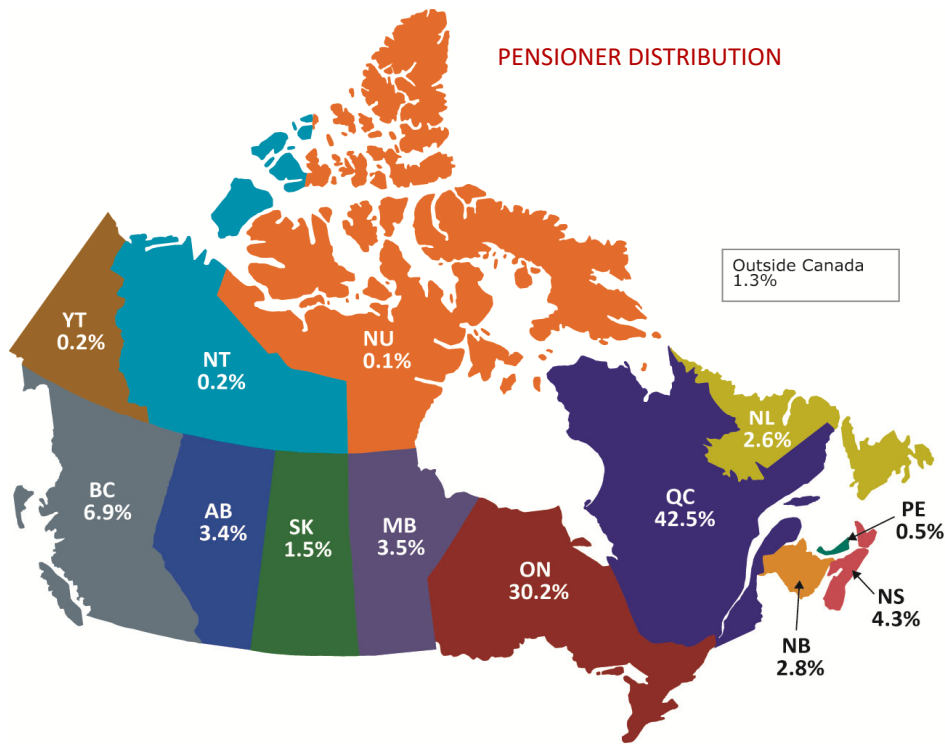
Who are our Plan Members?

1. **Active Members** – Current CBC employees who are paying in to the Pension Plan.
2. **Inactive Members**
 - a) **Pensioners** – Former CBC employees or their surviving spouses who are currently drawing a pension.
 - b) **Deferred Members** – Former employees who have left CBC, but left their pension benefit in the Pension Plan (and are not yet drawing a pension).

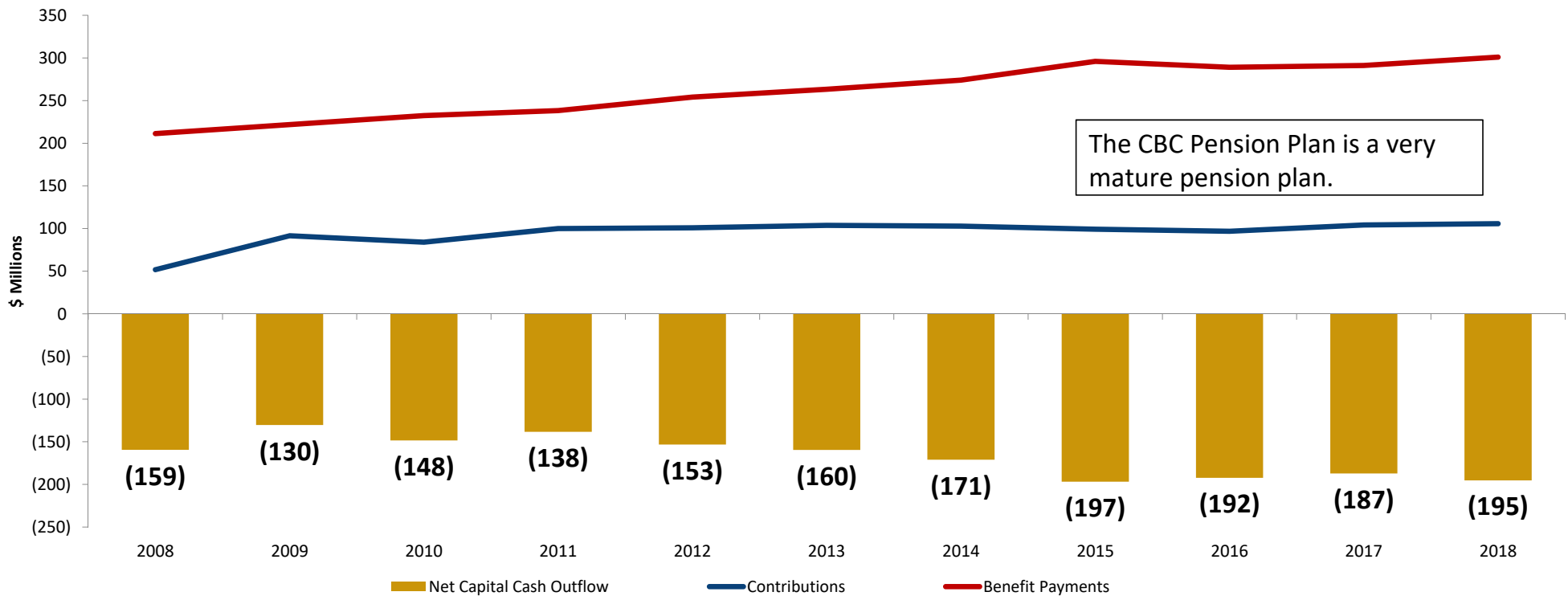
Membership Trends



Membership Profile

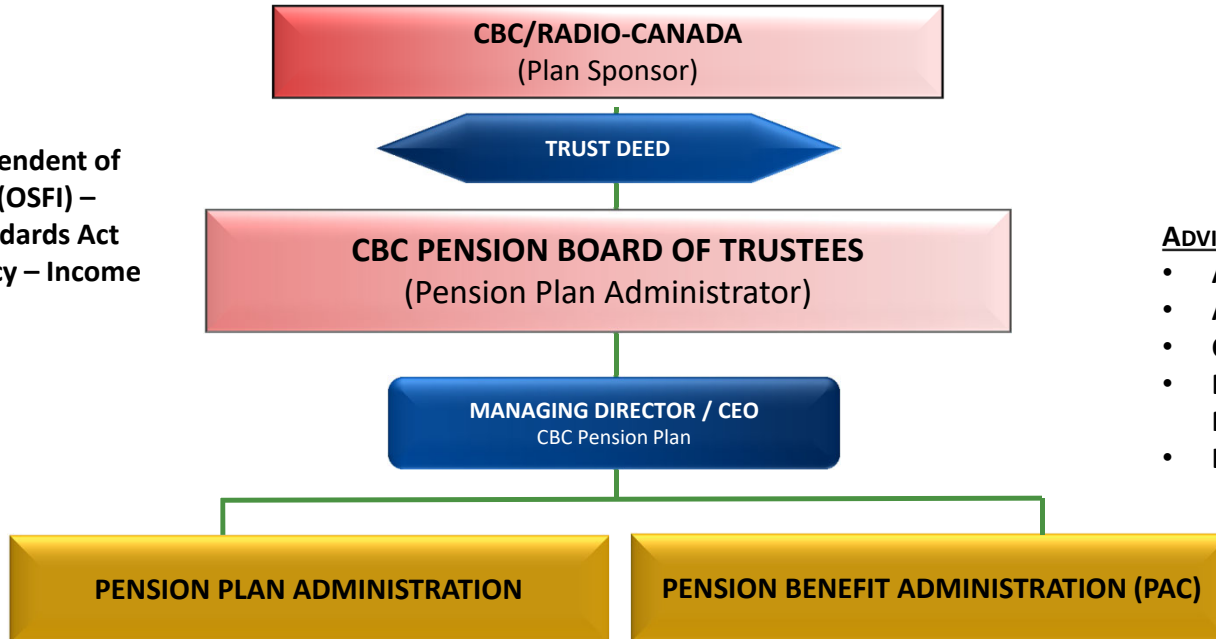


Contributions vs Pension Benefit Cash Flows



LEGISLATION & REGULATIONS

- Minister
- Office of the Superintendent of Financial Institutions (OSFI) – Pension Benefits Standards Act
- Canada Revenue Agency – Income Tax Act



ADVISORS

- Actuary
- Auditor
- Consultants
- External Investment Managers
- Legal Counsel

- THE CBC PENSION BOARD OF TRUSTEES EXISTS BY VIRTUE OF THE TRUST DEED CREATED BY THE CBC/RADIO-CANADA
- THERE ARE 7 TRUSTEES:
 - 2 FROM THE CBC/RADIO-CANADA BOARD OF DIRECTORS: *R. JEFFERY and F. ROY*
 - 2 FROM CBC MANAGEMENT:
 - SENIOR EXECUTIVE OFFICER RESPONSIBLE FOR FINANCE (*J. PURVES*)
 - SENIOR EXECUTIVE OFFICER RESPONSIBLE FOR HUMAN RESOURCES (*M. MARCOTTE*)
 - 2 EMPLOYEES: *C. McLEOD and M-A. CHARRON*
 - 1 RETIREE: *A. PINEAU*

GOVERNANCE: Roles and Responsibilities

CBC/RADIO-CANADA (PLAN SPONSOR)

- Establish benefits to be provided through Pension Plan, determine eligibility as outlined in Plan text.
- Decide on funding policy, contribution levels and surplus matters.
- Receive assurance reporting from Board of Trustees.

GOVERNANCE: Roles and Responsibilities

CBC PENSION BOARD OF TRUSTEES (PENSION PLAN ADMINISTRATOR)

- Approve and monitor investment policy, investment structure and performance measurement.
- Administer pension benefit payments in accordance with Plan text – issue pension payments.
- Approve appointment of auditors, actuaries and pension benefit administration.
- Ensure the selection, evaluation and succession of Managing Director/CEO.
- Review processes and monitor activities delegated to Pension Fund management

GOVERNANCE: Roles and Responsibilities

Trustees take their fiduciary responsibilities seriously:

- Undertake an annual self-review of their effectiveness.
- Rigorous set of competencies have been articulated.
- New Trustees undergo an intensive orientation program.
- There is a comprehensive continuing education program in place.
- Succession planning is reviewed annually to evaluate Pension Fund Management and back up plans.

GOVERNANCE: Roles and Responsibilities

Pension Fund Management

- Manage the day to day operation of the Trust by:
 - recommending and implementing policies; investing the assets of the Plan; working with actuaries and reviewing key assumptions used in actuarial valuation.
- Ensure the provision of quality member benefit administration such as:
 - processing new retiree applications, issue pension payments, resolve complex situations and respond to inquiries or complaints from plan members.
- Administer the plan in compliance with all regulatory requirements.

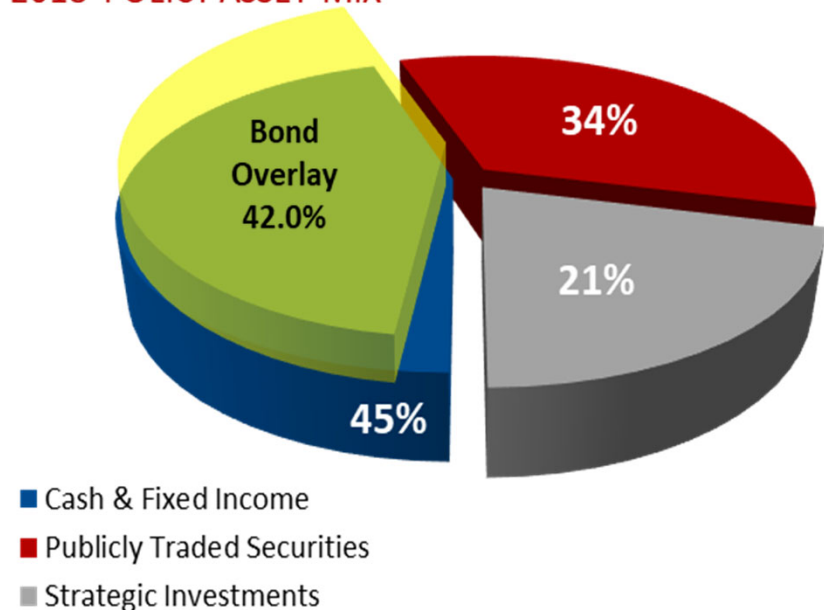


2018 Financial
Performance and
Highlights

Asset Profile

- The Plan’s investment focus is to earn a robust rate of return, maintain a stable funded status and benefit security.
- Our Liability Driven Investment “LDI” strategy focuses on ensuring asset growth will keep pace with the growth in present and future pension obligations.

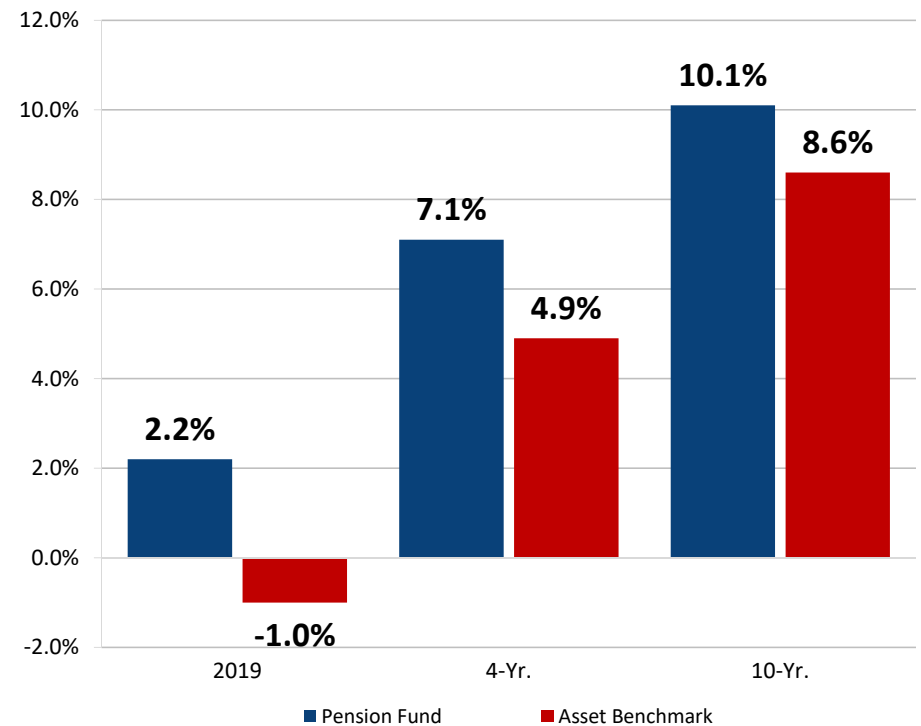
2018 POLICY ASSET MIX



Investment Performance

- YOUR Pension Plan is in good hands.
- Internal team of professionals with a long established history of internal investment management.
- 52% of the Plan’s assets are managed internally and 48% managed by external international managers.
- Long track record of benchmark outperformance.
- The Plan’s administrative costs continue to compare favourably against the industry.

Rate of Return



For 2018, this is the first year since 2007 that the Plan has both of its funded status over 100% as at December 31st.



GOING CONCERN

Funding Surplus

+\$1.98

BILLION

Funding Ratio

139.4%



SOLVENCY

Funding Surplus

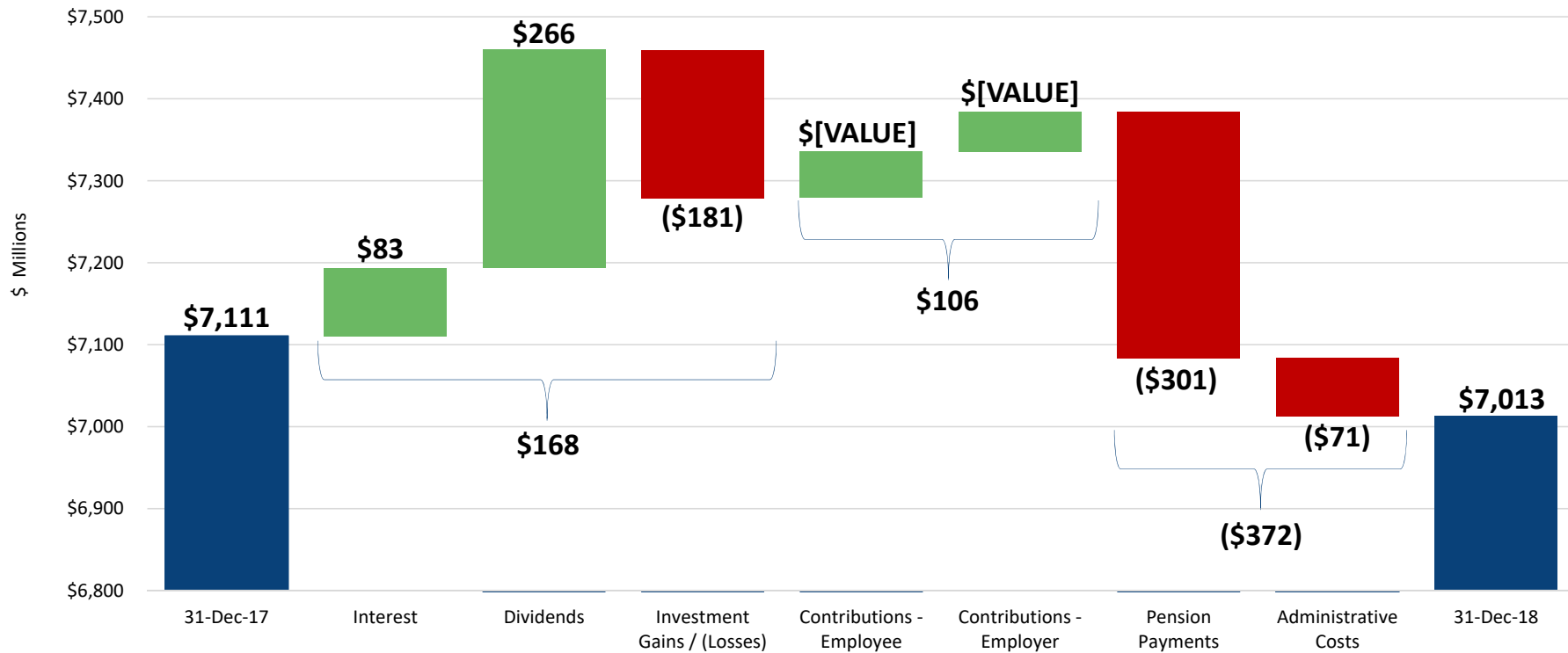
+\$79.4

MILLION

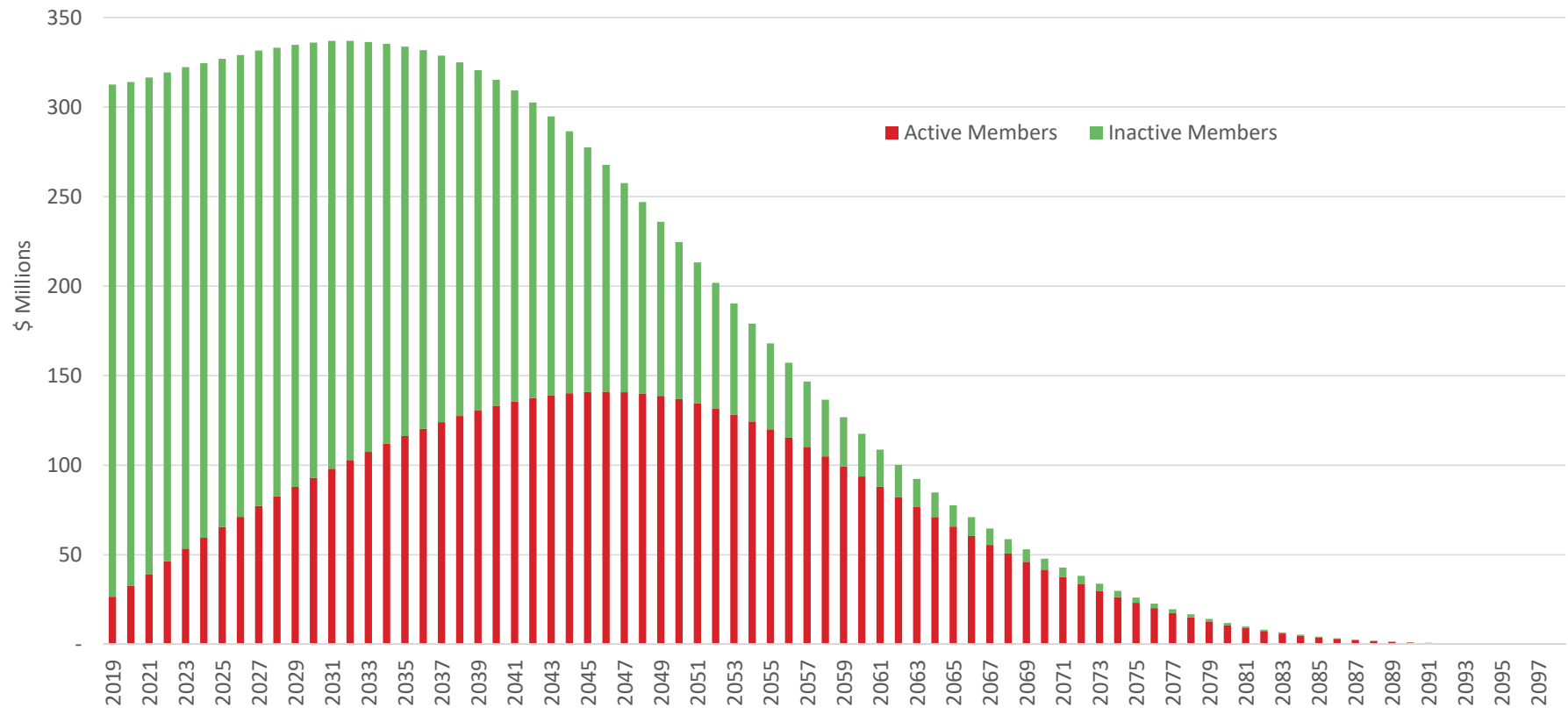
Funding Ratio

101.1%

2018 Change in Financial Position (Net Assets)









Future Pension Benefit Cash Flows





Pension
Administration
Services

Pension Administration Centre (PAC) Performance

Volumes		Service Level Agreements	
	YTD Results		YTD Results
Volumes: Calls		Service level: Call centre performance (first call resolution)	
Volumes: Website total logins - actives		Service level: Performance on statements: (retirement, termination, death)	
Volumes: Website logins – Pensioners		Service level: Web availability	

- **In 2018, PAC received:**
 - **7,890 incoming calls with 80% of the calls answered in 30 seconds**
 - **3,498 incoming documents for processing**
 - **20,310 logins to the website**
- **Performance service levels achieved.**
- **Overall satisfaction rating of 96% among callers.**



Pension Administration Updates

- Annual Pension Statements for retirees will be sent/mailed no later than June 30th
 - This statement provides important financial and estate planning information including:
 - ✓ Current gross pension
 - ✓ Gross pension at age 65 (if under 65)
 - ✓ Name of survivor
 - ✓ Amount of survivor pension
- Highlights of the Pension Plan Annual Report will be distributed in May
- Full Pension Plan Annual Report available on our website no later than the end of May www.cbc-radio-canada-pension.ca

Plan Accomplishments 2018

- **The Plan achieved fully funded status on both a Going Concern and a Solvency Basis!**
- Investment returns exceeded the asset benchmark
- Managed and monitored the provision of pension administration services by Morneau to meet Service Level Agreements
- Undertook a RFP for pension administration and actuarial services
- Completed annual presentations to stakeholders
- Evaluated internal processes for managing external service providers
- Undertook annual succession planning Review for the Plan
- Reviewed Trustee orientation and onboarding process and provided orientation to new Trustees

Plan Objectives 2019

- Continue to deliver investment returns to support the financial viability and liquidity needs of the Plan
 - Review and enhance the Plan's asset mix approach
 - Evaluate new investment opportunities
- Provide pension administration services on a timely and cost-efficient basis
 - Manage and monitor the provision of pension admin services by Morneau Shepell
- Communicate effectively with members and stakeholders
 - Review content of PAC website and promote usage
- Maintain effective governance and organizational structures to meet fiduciary obligations and business requirements
 - Undertake biennial update of the Plan's strategic plan

Who to Contact

- Updating your address, pension cheque or direct deposit
- Income tax deductions
- Tax slips
- Service issues with the Pension Admin Centre (PAC)

- Issues with accessing PAC website or password reset
- Questions on the amount of your gross pension or pension adjustments
- Benefit deductions or changes to coverage

CBC PENSION PAYROLL

- By phone:
1-888-604-9528 – option 1
or direct at 1-888-688-6038 or
1-613-288-6149
- By email: pension@cbc.ca
- By fax: 1-613-288-6200
- By mail: CBC Pension Payroll
PO Box 3220, Stn C
Ottawa, ON K1Y 1E4

CBC/RADIO-CANADA PENSION ADMINISTRATION CENTRE

- By phone:
1-888-604-9258 (in North America)
1-514-673-7669 (outside North America)
Pension-related – option 2
Benefits-related – option 3
- By mail: CBC/Radio Canada Pension Administration Centre
1060 Robert Bourassa Blvd, Suite 900
Montreal, QC H3B 4V3
- On the website at: www.pensionadmin-cbc-src.ca



Thank you