STAFF PLAN (the “Plan”)
Summary of the July 1, 2017 Actuarial Valuation of the Staff Plan

The University is required to file an Actuarial Valuation of the Plan with the Financial Services Commission of Ontario (FSCO) and Canada Revenue Agency. The frequency of the filing is dependent on the funded ratio of the Plan on a solvency valuation basis and whether the Plan has qualified for solvency relief.

On February 16, 2012, the Plan was accepted into Stage One solvency funding relief via Ontario Regulation 178/11. The stage one actuarial valuation report as of July 1, 2011 was then filed with the Financial Services Commission of Ontario (FSCO) in March 2012.

In December 2014, the University submitted an application for the Plan to participate in Stage Two of the two-stage solvency relief measures applicable to broader public sector pension plans. In March, 2015, the Plan was accepted into Stage Two through Amended Ontario Regulation 178/11. The stage two actuarial valuation report as of July 1, 2014 was then filed with FSCO in May 2015.

In accordance with Section 9(4) of the Ontario Regulation 178/11, the University made an election to fund the interest payments only on the solvency deficiency determined in this report for three years, and make special payments to fund the remaining solvency deficiency over seven years thereafter.

On October 31, 2016, the Ontario government further amended Ontario Regulation 178/11 to provide for subsequent stage two solvency relief for the broader public sector. The new regulations allowed for the solvency funding of a “modified solvency deficiency” over 7 years, with the payment of interest on the balance. Effective at July 1, 2017, an actuarial valuation report for the Pension Plan was filed with FSCO in January 2018 that adopts these new relief measures. In accordance with Section 12(6) of the Ontario Regulation 178/11, the next required valuation will be as at July 1, 2020.

There are two types of valuations:

- Going Concern Valuation – assumes the plan continues indefinitely.
- Solvency Valuation – assumes the plan is wound up. All plan members’ benefits – active, deferred and retired members, based on pension earned to date of the valuation – are settled through the purchase of annuities or lump sum payments, where applicable.

Going Concern Valuation – As of July 1, 2017, the Going Concern Accrued Liabilities exceed the Market Value of Assets by $15,461,739.

Solvency Valuation – As of July 1, 2017, the Pension Plan has a Solvency Deficiency of $58,038,443. The ratio of solvency assets to solvency liabilities is 0.68.

In accordance with subsequent stage 2 solvency funding relief measures, going concern special payments of $924,962 and solvency special payments of $201,346 are required from July 1, 2017 to June 30, 2018. Furthermore, going concern special payments of $1,799,042 per year and solvency special payments of $1,567,453 per year are required to be paid into the pension fund for the period July 1, 2018 to June 30, 2020.

Indexing adjustments to pensions in payment or deferred pensions for members who retired or terminated prior to July 2, 2007 were 1.24% at July 1, 2016 and 2.05% at July 1, 2017. No indexing adjustments were payable to members who retired or terminated on or after July 2, 2007.

The required participant contribution rate is 9.0% of salary. The University Current Service Cost as percentage of the Participant Salary Base is 10.61% from July 1, 2017 to June 30, 2020.