



MEBP NEWS

Manitoba Municipal
Employees Benefits Program
Fall 2009

Actuarial Valuation Results - 2008

The Board reviewed the Summary of Results of the Actuarial Valuation as at December 31, 2008, that was presented by the Actuary.

The Summary indicated that since the last valuation (December 31, 2005):

- Ad hoc cost-of-living increases were granted to pensioners and beneficiaries on January 1, 2006, 2007 and April 1, 2008.
- The average annual fund rate of return (net of investment expenses) from January 1/06 to December 31/08 was:
 - Market Value (1.8)%
 - Actuarial Value 5%

Contribution Sufficiency: Normal actuarial cost, as a % of expected contributions = 95.1% (or, contributions = 104.9% of actuarial cost)

Going Concern Financial Position

	December 31, 2008	December 31, 2005
Actuarial Value of Assets	\$ 388,233,000	\$ 345,838,000
Actuarial Liability		
Active and disabled members	\$ 205,941,000	\$ 175,174,000
Retired members and beneficiaries	143,556,000	111,376,000
Terminated vested members	13,453,000	12,959,000
Reserves	10,125,000	15,565,000
Total actuarial liability	\$ 373,075,000	\$ 315,074,000
Actuarial Surplus	\$ 15,158,000	\$ 30,764,000
Funded Ratio	104.1%	109.8%

Solvency Financial Position

	December 31, 2008	December 31, 2005
Solvency Value of Assets	\$ 423,527,000	\$ 384,086,000
Solvency Liability		
Active and disabled members	\$ 242,666,000	\$ 220,362,000
Retired members and beneficiaries	163,781,000	131,266,000
Terminated vested members	17,102,000	17,061,000
Reserves	1,077,000	1,000,000
Total actuarial liability	\$ 424,626,000	\$ 369,689,000
Solvency Surplus	\$ (1,099,000)	\$ 14,397,000
Funded Ratio	99.7%	103.9%

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Tips for Registered On-Line Users

To bookmark the site for MEBP On-Line Services on the website, you must bookmark the homepage: www.mebp.mb.ca

Please note that book marking 'mypension.ca' will not access your information.

MEBP NEWS is published for members of the Municipal Employees Benefits Program. Comments or suggestions are welcomed.

Pension Plan - 2010 Contribution Rate Increase

Effective 1st Payroll in January 2010

In order to ensure that pension contributions collected from members and employers continue to fund the cost of annual pension benefits and help provide for possible future cost-of-living increases, the Board of Trustees has deemed it necessary to increase Pension Plan contribution rates effective with the **first pay period that ends in January 2010**.

The Actuarial Valuation, conducted as at December 31, 2008, revealed that on a going concern basis, the Pension Plan is healthy; however, a Solvency Deficiency of \$1.1 million did exist. The Solvency Deficiency must be resolved to meet the requirements of the Pension Benefits Act.

The new rates are as follows:

If member is also in the *Disability Income Plan*:

6.3% (on CPP earnings)

7.5% (on non-CPP earnings)

If member is NOT in the *Disability Income Plan*:

6.4% (on CPP earnings)

7.6% (on non-CPP earnings)

Voluntary Accidental Insurance - 2010 Contribution Rate Increase

Effective 1st Payroll in January 2010

Effective the **first pay period ending in January 2010**, there will be an increase to the Voluntary Accidental Insurance contribution rates*. The new rates are **\$.028 per \$1,000** of insurance in the Employee Only Plan and **\$.035 per \$1,000** in the *Employee and Family Plan*, rounded as follows:

AMOUNT OF INSURANCE	EMPLOYEE ONLY PLAN MONTHLY	EMPLOYEE & FAMILY PLAN MONTHLY
\$25,000	\$0.70	\$0.88
\$50,000	\$1.40	\$1.75
\$75,000	\$2.10	\$2.63
\$100,000	\$2.80	\$3.50
\$125,000	\$3.50	\$4.38
\$150,000	\$4.20	\$5.25
\$175,000	\$4.90	\$6.13
\$200,000	\$5.60	\$7.00
\$225,000	\$6.30	\$7.88
\$250,000	\$7.00	\$8.75

*This is the first contribution rate increase since the benefit was introduced on January 1, 2002. Since 2002, claims have exceeded contributions by 222%.

Actuarial Valuation Basics

To better understand the valuation process and terminology used in some of our correspondence, we thought it would be a good idea to provide a quick overview of what an Actuarial Valuation is and why it is necessary.

Two main reasons as to why an actuarial valuation is required are:

1. to determine whether or not the fund is fully funded at a particular point in time (are the assets enough to cover the liabilities) and
2. to prescribe a level of contributions that must be made until the next valuation is completed. In Manitoba, defined benefit plans such as MEBP, are required to complete a valuation every three years.

Actuarial Valuation Basics - continued

Actuarial valuations for defined benefit plans are prepared by an Actuary. The Actuary uses actuarial assumptions when preparing the actuarial valuation. Assumptions are estimates about the future. Examples of assumptions would be: salary increases, investment returns and life expectancy. They are used to determine the required annual contributions and to ensure that the plan's promised benefits will be met.

Two types of actuarial valuations are prepared:

- **Going Concern Valuation** – an actuarial valuation prepared to determine whether or not the present assets of the pension plan would cover the accrued benefits of the plan, *assuming the plan is a continuing pension plan*.
- **Solvency Valuation** – an actuarial valuation prepared to determine whether or not the present assets could cover the accrued benefits, *should the plan be discontinued on the date of valuation*.

The figures provided on page one of the newsletter, are a result of these two types of valuations.

Reciprocal Transfer Agreements

If you have recently left a position with a public sector employer or are leaving MEBP to work for another public sector employer with whom we have a Reciprocal Transfer Agreement, you may wish to transfer your **pension benefit**.

List of Reciprocal Transfer Agreements:

Manitoba Civil Service Superannuation Board (CSSB)
The Winnipeg Civic Employees' Benefits Program
Federal Public Service Superannuation Plan
Saskatchewan Municipal Employees' Pension Plan
Healthcare Employees Pension Plan (HEPP)
Brandon University Retirement Plan
Canadian Union of Public Employees' pension Plan (CUPE)
Ontario Municipal Employees Retirement System (OMERS)

If you had service with a reciprocating pension plan and **either did not or were not able** to transfer service under the terms of the reciprocal transfer agreement, a buyback of this previous service period is not allowed under MEBP.

Please note that effective May 30, 2008, MEBP's Reciprocal Transfer Agreements with the Alberta Local Authorities Pension Plan (LAPP) and the Alberta Special Forces Pension Plan were terminated.

If you have any questions regarding reciprocal transfers, please contact Melissa for additional information.

Individual Transfer Agreements

Effective January 1, 2003, an amendment to the Pension Plan was made to allow for the possibility of an individual transfer agreement when there is **no reciprocal transfer agreement** in place with a previous employer.

To be eligible, pension funds **must be transferred directly from the previous employers' pension plan to MEBP**.

Pension funds that are transferred out to a Locked-In Retirement Account (LIRA) or Registered Retirement Savings Plan (RRSP) are not eligible for transfer to MEBP.

Please contact Melissa if you recently became an active member of MEBP and would like to determine if you qualify for this type of agreement.

Welcome New Employers

The MEBP Board and Staff would like to welcome the following new employers to the Program:

Prairie West Recreation Commission
West Interlake Watershed Conservation District

MEBP Board of Trustees – 2010 Election

There will be 2 positions available.

Nominations must arrive at the MEBP office by June 30, 2010.

Please contact Rose Neufeld at extension 207, if you are interested

MEBP Staff News

Good Luck to Diane Ell who has retired effective September 23, 2009 after working with the Municipal Employees Pension Plan since its inception in 1977. Prior to 1977 she worked with the Civil Service Superannuation Plan. Between the two Plans she has a total of 36 years of service.

On behalf of staff, the Board and membership we would like to wish Diane a long and fulfilling retirement and thank her for all her hard work and organizational skills.

Welcome to Marisa Aiello-Nicholls who has taken over Diane's duties. She will assist with the overall administration of the Benefits Program and provide retirement counselling to our members.

Marisa can be reached at 1-800-432-1908 Extension #206 or, if you are calling from the Winnipeg area 946-3206. (Email: marisa@mebp.mb.ca)

Congratulations to Melissa Wollmann (nee Gmiterek) on her recent marriage. 'Good things come to those who wait'.

Congratulations to Elaine Graham completing 20 years of service with MEBP on July 3, 2009. Elaine started with MEBP on July 3, 1989 and is always ready to help co-workers and plan members.

Note: For a complete list of staff & their areas of responsibility, please refer to: Page 4 of this Newsletter, or 'General' section of the Administration Manual, or 'Contact Us' page of our website: www.mebp.mb.ca

Tips for Members

Terminating Employees who have secured a position with another Municipality

Please advise your current employer and MEBP if you will be re-employed with another Municipality. This allows MEBP to provide pension information to your current and new employer. The current employer will be advised as to the treatment of vacation pay on termination and the new employer will be notified when to begin deductions and whether or not the CPP maximum earnings may be exceeded.

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MEBP NEWS

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