

# **Report of the Ad Hoc Committee formed to discuss the possible College Pension Plan (the Plan) surplus arising from the 2021 Actuarial Valuation**

## **Background:**

Every three years the Plan is evaluated for its sustainability by an actuarial valuation. The 2018 Valuation resulted in a declared surplus, and it is anticipated that the next valuation, which is currently being conducted, will also show a surplus. The last plan surplus was distributed to the Inflation Adjustment Account to support indexing and the establishment of a Rate Stabilization Account.

Recent updates to the Joint Trust Agreement still focus on the above priorities. However, the ABC CPPR ad hoc Board subcommittee composed of past and present plan trustees (Dennis Anderson, Danny Bradford, Paul Ramsey, and John Wilson) and a retired member appointed to the FPSE Pension Advisory Committee, believe that it is very important to actively lobby the plan partners concerning future surplus uses:

- the maintenance of full inflation protection with some buffer to absorb small adverse changes in inflation assumptions, and
- the reinstatement of a subsidy for health benefits.

Historically, two of the plan partners have inflation protection and the provision of health and welfare benefits for retirees as priorities in their policy documents.

The benefits of using any surplus to achieve these goals is important not only for retirees but also for active members of the Plan as well.

## **Motion recommended to AGM:**

Be it resolved: the ABC CPPR actively lobby the plan partners about the importance of full inflation protection and the reinstatement of a subsidy for health benefits.