

# ANNUAL REPORT

For the year ending December 31, 2012

Issued October 2013



## Multi-Sector Pension Plan



Multi-Sector Pension Plan  
105 Commerce Valley Dr. W., Suite 310  
Thornhill, ON L3T 7W3

# MESSAGE FROM THE CO-CHAIRS

# THE BOARD

The Multi-Sector Pension Plan enjoyed another year of growth in terms of both contributing members and pensioners. More than 11,000 active and retired members now participate in the Plan. This number continues to grow as additional employers from across Canada join the Plan. Our membership spans the country from British Columbia to the Atlantic provinces with the majority in Ontario. Canadians are increasingly aware of the importance of retirement planning and as such, the Multi-Sector Pension Plan has become a valuable asset to our members as they plan for their retirement.

The Plan has enjoyed significant growth over the past few years, and in 2012 we surpassed the 100 million dollar mark in assets under management. As a result of contributions from participants and due to the increased value of the Plan, the year-end value of our assets in 2012 was \$109.7 million. This was an increase of 34% over our 2011 year-end total of \$81.8 million.

The Plan is governed by the Board of Trustees, which is composed of representatives appointed by the Canadian Union of Public Employees (CUPE) and Service Employees International Union (SEIU). The Board is responsible for the overall governance and strategic direction of the Plan and manages it in the best interests of the Plan members. The Board meets quarterly, or more frequently as

circumstances warrant. The Board is assisted in its duties by professional advisors, such as the law firm of Koskie Minsky, which provides legal advice to the Trustees. Auditors BDO Canada LLP reviews the Plan's accounts, complete the annual audit, and prepare yearly financial statements for the Plan. The Board has chosen actuaries Buck Consultants to value the Plan annually and to provide advice on benefits. Eckler Ltd. provides investment advice and assets are invested through the services of Leith Wheeler Investment Counsel Ltd. and Gryphon Investments.

The Board of Trustees is pleased to welcome the following new Trustees: Susan Arab (CUPE), Dave Benton (CUPE), Laura Delhenty (CUPE), John Klein (SEIU), Julie Roberts (CUPE), and Andrew Ward (CUPE). The Board would like to thank departing Trustees Darcie Beggs (CUPE), Emanuel Carvalho (SEIU), and Nancy Parker (CUPE) for their tremendous work and dedication to the Plan.

The Board has recently completed an update of the *Member Handbook*, which you will be receiving shortly. The *Handbook* is an important resource for all members as it provides comprehensive information on the plan and the benefits available. If members have questions regarding the Plan or their benefits, they can refer to this guide. In addition, please visit us on the web at [www.mspp.ca](http://www.mspp.ca) or contact the Fund Office at 1-800-287-4816.

The Board of Trustees of the Plan is comprised of representatives of the two sponsoring unions. SEIU and CUPE. The following are members of the Board as of the writing of this report:

Andy Mele, CUPE (Co-Chair)  
John Van Beek, SEIU (Co-Chair)  
Susan Arab, CUPE  
Dave Benton, CUPE  
Jackie Dwyer, CUPE  
Jean Charles Lavigne, CUPE  
Mike McDonald, SEIU  
Peter Paulekat, CUPE  
Julie Roberts, CUPE  
Andrew Ward, CUPE

#### Alternate Trustees:

Laura Delhenty, CUPE  
John Klein, SEIU  
Linda Thurston Neely, CUPE

**Please remember to keep the Fund Office informed any time you change your address. We rely on your updated address to send you your annual statement, newsletters and any other information pertaining to your pension benefit.**

For additional information about this Plan or to provide feedback on our report please address correspondence to

#### Multi-Sector Pension Plan

General Manager  
105 Commerce Valley Drive West, Suite 310  
Thornhill, Ontario L3T 7W3

In Toronto ..... 905-889-6200 Fax ..... 905-889-7313  
Outside Toronto ..... 1-800-287-4816 Email ..... info@mspp.ca

Don't forget you can also visit us at:

[www.mspp.ca](http://www.mspp.ca)

# FINANCIAL HIGHLIGHTS

## INVESTMENTS, AT FAIR VALUE:

	2012	2011	2010	2009	2008
<b>Short Term Investments</b>					
<b>Pooled Money Market Funds</b>	\$ 959,215	\$ 3,765,776	\$ 519,948	\$ 1,333,672	\$ 1,434,219
<b>Fixed Income Fund</b>	\$ 34,236,525	\$ 30,441,239	\$24,211,176	\$16,417,986	\$11,555,295
<b>Canadian Equity &amp; Pooled Funds</b>	\$ 45,695,327	\$ 28,932,757	\$24,826,954	\$15,659,396	\$ 7,738,096
<b>Foreign Equity &amp; Pooled Funds</b>	\$ 28,802,605	\$ 18,667,258	\$14,875,665	\$10,215,972	\$ 5,498,100
<b>Total</b>	\$109,693,672	\$ 81,807,030	\$64,433,743	\$43,627,026	\$26,225,710

The investments of the Plan are in segregated and pooled funds and are diversified as indicated above into different categories in order to reduce risk and achieve overall returns. The Plan also retains an Investment Consultant to assist in analyzing the performance of the fund managers.

## BENEFIT PAYMENTS

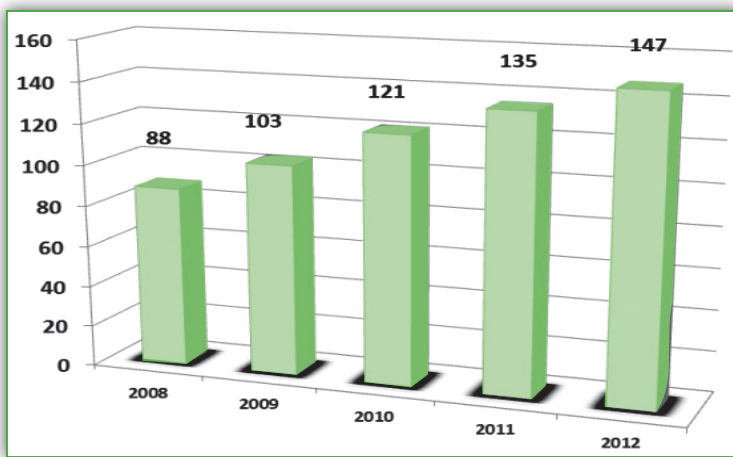
	2012	2011	2010	2009	2008
<b>Pension Benefits</b>	\$815,652	\$500,810	\$351,428	\$284,315	\$140,883

The Pension Benefits are the monthly amounts paid from the Plan to members or their survivors. At the end of the year 261 Pensioners were receiving a monthly pension benefit from the Plan.

## PARTICIPANT POPULATION

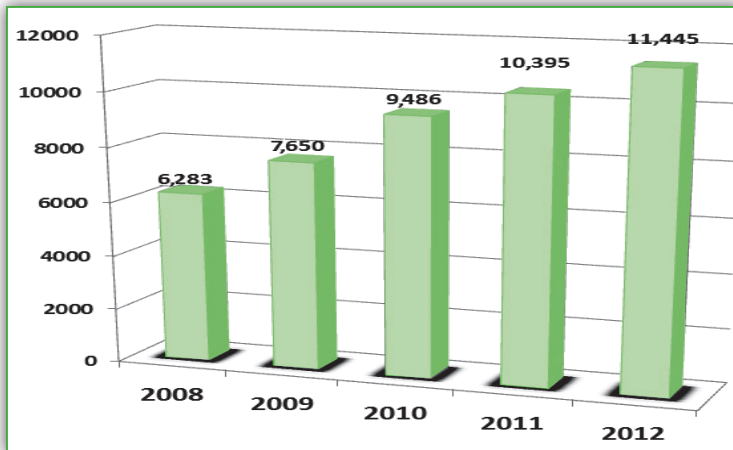
	2012	2011	2010	2009	2008
<b>Active Participants</b>	10,148	8,923	8,341	6,789	5,616
<b>Inactive Vested Participants</b>	1,036	1,279	571	435	601
<b>Pension Recipients</b>	261	193	138	98	66
<b>Total</b>	11,445	10,395	9,050	7,322	6,283

The Plan continues to grow with an increase in total participation this year of 1,050 individuals and 12 employers. The participating unions work to include pension plan membership as part of collective agreements as they come up for negotiations or renegotiations. Active Members are participants who are currently employed and continue to increase their benefit through the contributions made by them and their employer. Inactive Vested Members are individuals who have terminated their employment with a participating employer and who chose to leave their contributions in the Plan to provide a future pension for them. Pension Recipients are those who are collecting a monthly pension from the plan as retired Members or their surviving spouses.



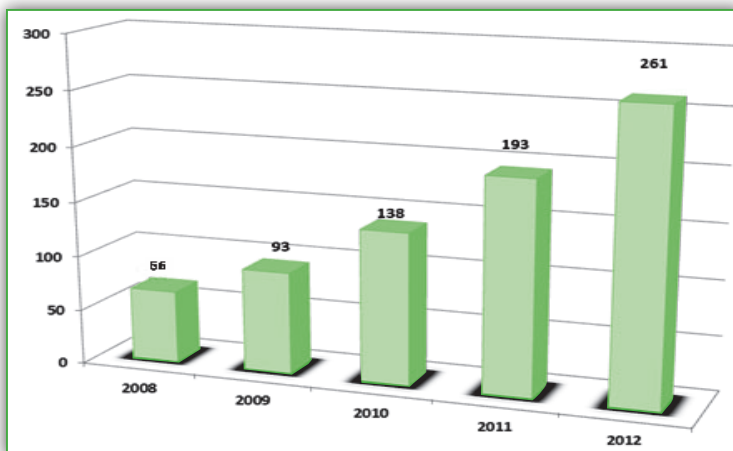
## MSPP EMPLOYERS

The number of participating employers continues to increase through the collective bargaining process as the two participating unions set a high priority on negotiating retirement benefits for their members. Employment sectors currently represented in the Plan are childcare workers, airline employees, golf course workers, sanitation workers, developmental and social service providers and other unionized organizations.



## MSPP MEMBERS

Membership continues to grow as new collective agreements are entered into. Members currently come from 8 different provincial jurisdictions as well as from the Federal jurisdiction. The average age of active Members is 43, as of the last valuation report.



## MSPP RETIREES

261 Members were receiving monthly pensions as of the end of 2012. The average age of the pensioners is 67. The Plan provides Members with the ability to begin collecting a pension as early as age 55 on a reduced basis and at age 65 on an unreduced basis.

## Frequently Asked Question

### *Why do I need a spousal waiver?*

Your spouse is legally entitled to receive a joint and survivor pension. He or she may waive this entitlement by filing a written waiver with the fund office. Waiving the joint and survivor pension will permit you to designate someone other than your spouse, such as your children, as beneficiaries of any benefits payable upon your death.

There are 2 types of spousal waivers;

**A Spousal Waiver of Pre-Retirement Survivor Benefit** can be signed at any time before

your retirement and comes into effect if you pass away before reaching retirement. Your spouse must sign this form in order for the value of your pension to be paid to anyone other than that spouse in the event of your death.

### **A Waiver of Joint and Survivor Pension form**

must be signed by your spouse at the time you elect your retirement option and cannot be revoked once your monthly pension payments begin. Waiving the survivor option may slightly increase your pension; however following your death your spouse will **not** receive a pension from the Plan.