

RECENT PLAN CHANGES

On January 1, 2025, Ontario pension law for multi-employer pension plans, such as the MSPP, will change. This update will impact how the value of their pension for MSPP members who leave the Plan will be calculated. (Members who leave their money in the Plan and receive their retirement benefit as a monthly pension will not be impacted by this change.)

Currently, when an MSPP member takes their money out of a plan, the commuted value (the amount of money they will receive) is calculated on a **solvency basis**¹ then multiplied by the transfer ratio (the funded level of the Plan on a solvency basis).

On or after January 1, 2025, the commuted value will be calculated on a **going concern basis**² and then multiplied by the going concern funded level to a maximum of 100%.

At present, MSPP's going concern funded level is 100%. If that level falls to below 100% (which could happen because of changing interest rates), the value of a member's pension who decides to leave the Plan will be reduced. In addition, any death benefits³ which are not paid as a pension, will also be paid at the Plan's going concern funded level, to a maximum of 100%.

[Click for more detailed information.](#)

¹ Solvency funding assumes a plan was terminated and all benefits were paid immediately.

² Going concern funding assumes a plan will continue indefinitely.

³ The amount of money paid to a beneficiary if a plan member passes away before they start receiving their pension.

Change to the Commuted Value Calculation in respect of British Columbia Members

A commuted value (CV) is the present lump sum value of an accrued pension calculated at a point in time using assumptions in accordance with applicable pension laws. Applicable pension laws require that CVs be calculated in accordance with their requirements and using standards prescribed by the Canadian Institute of Actuaries (CIA).

Effective April 1st, 2023, as permitted by applicable pension laws and in accordance with the CIA's standards, the CVs in respect of British Columbia members are calculated on a going concern basis and also reflect the going concern funded status of the MSPP at the relevant time, subject to a maximum of 100%. This is how the Plan calculates CVs for all participants except those in Ontario given different requirements for those provinces. If you have any comments on this change, please submit them to the Trustees c/o InBenefits and the Financial Services Regulatory Authority of Ontario.

Opt-Outs for Employees of New Contributing Employers

Effective January 1st, 2023, Participation in the Plan is compulsory for all Employees covered by the Collective Agreement. Except a category of Employees that the Trustees agree to permit to be excluded; and an Employee who elects not to become a participant if they are either employed by an employer that is accepted by the Trustees as a contributing Employer on or after January 1st, 2023, and who was the age 65 or older as of January 1st, 2023. If you have any comments on this change, please submit them to the Trustees c/o InBenefits and the Financial Services Regulatory Authority of Ontario.

RECENT PLAN CHANGES (continued)

Sectoral Bargaining – Acceptance of an Employer as a Contributing Employer

Effective January 1st, 2023, An employer may be accepted by the Trustees as a Contributing Employer if:

The employer furnishes the necessary Employee data or, where the Collective Agreement the employer is a party to or bound by is a Sectoral Agreement, the Union or an employer representative furnishes the necessary Employee data for the Employees covered by the Sectoral Agreement; the acceptance of the employer, or where the applicable Collective Agreement is a Sectoral Agreement, the employer or multiple employers covered by the Sectoral Agreement, will not adversely affect the benefit rights of existing Participants, Former Participants and Pensioners, as determined by the Trustees; the rate of Employer Contributions for all Employees covered by the Collective Agreement is uniform for all Employees covered by that Collective Agreement, unless the Trustees agree to permit an exception for some category of Employees; and the rate of Employee Contributions for all Employees covered by the Collective Agreement is uniform for all Employees covered by that Collective Agreement, unless the Trustees agree to permit an exception for some category of Employees. If you have any comments on this change, please submit them to the Trustees c/o InBenefits and the Financial Services Regulatory Authority of Ontario.

Changes to the Commuted Value Calculation

A commuted value (CV) is the present lump sum value of an accrued pension calculated at a point in time using assumptions in accordance with applicable pension laws which require that CVs be calculated using standards prescribed by the Canadian Institute of Actuaries ("CIA").

The CIA standards for CV calculations changed effective December 1, 2020 for pension plans like the MSPP. The MSPP exercised early adoption of these standards effective September 1, 2020. These changes provide for CVs to be calculated on a going concern basis where permitted by applicable pension laws. This means that CVs will be calculated using going concern assumptions which are the same assumptions used to determine the funding requirements of the Plan. These changes also allow the CV to reflect the going concern funded level of a pension plan, which may be capped at 100%, where permitted by applicable pension law.

All provinces except Ontario, British Columbia, and New Brunswick permit

RECENT PLAN CHANGES (continued)

the MSPP to use the going concern basis for CV calculations. Effective March 1, 2021, the CV calculated under the MSPP on the going concern basis will also reflect the going concern funded status of the MSPP at the relevant time, subject to a maximum of 100%. Ontario, British Columbia, and New Brunswick continue to require that the MSPP calculate the CV using solvency assumptions; that is, as if the MSPP is to be terminated on the date of calculation.

Termination of Employer Participation

Previously, if an employer stopped participating in the Plan any pension benefits of those employed, or formerly employed, by that employer were adjusted in accordance with the Plan's rules for employer terminations.

These rules for employer terminations will not apply to employer terminations after January 1, 2018 as the Plan was recently amended retroactive to January 1, 2018. Any pension benefit transferred out of the MSPP at membership termination will be calculated in the normal manner and in accordance with the rules for calculating commuted values.

Uniform contribution rates

The Plan was amended effective January 1, 2021 to require that the rate of Employer Contributions and the rate of Employee Contributions for Employees covered by a Collective Agreement each be uniform for all Employees covered by that Collective Agreement.

Electronic designation of Beneficiaries

The Plan was amended effective March 23, 2021 to allow members to designate a Beneficiary or to change or to revoke the designation of a Beneficiary electronically in those provinces or jurisdictions where the applicable law permits. These designations, changes or revocations may be provided electronically in such manner as is acceptable to the Trustees and in accordance with applicable law.

RECENT PLAN CHANGES (continued)

Change to the Commuted Value Calculation in respect of New Brunswick Members

A commuted value (CV) is the present lump sum value of an accrued pension calculated at a point in time using assumptions in accordance with applicable pension laws. Applicable pension laws require that CVs be calculated in accordance with their requirements and using standards prescribed by the Canadian Institute of Actuaries (CIA).

Effective September 30, 2021, as permitted by applicable pension laws and in accordance with the CIA's standards, the CVs in respect of New Brunswick members are calculated on a going concern basis and also reflect the going concern funded status of the MSPP at the relevant time, subject to a maximum of 100%. This is how the Plan calculates CVs for all participants except those in Ontario and British Columbia given different requirements for those provinces. If you have any comments on this change, please submit them to the Trustees c/o InBenefits and the Financial Services Regulatory Authority of Ontario.