

Report on the University's Pension Committee Meeting

June 30, 2009

By Harold Squires

The purpose of this meeting was the presentation of the Actuarial Valuation of the MUN Pension Fund as at March 31, 2009 by Peter Hayes of Eckler Ltd. Peter explained the various scenarios and how they have to plan for them in their review. They really do two valuations. One, on a going concern basis (i.e., the pension plan lives as long as there are members drawing pensions) and the other on a Wind-up basis (i.e., the plan is wound up on the valuation date).

The MUN Pension Fund has an actuarial deficit in both on the Going Concern basis (\$271,008,000) and the Solvency basis (\$237,337,000). The Provincial Govt. has given MUN an exemption from paying extra under the Solvency valuation, but it has to be reported anyway. With regards to the deficit in the Going Concern basis the employer is responsible for paying off the deficit over a number of years. (15 years) MUN has been doing this the past few years and the Provincial Govt. has been providing them with the extra money to do it. However, the annual amount required will increase from approx. 4.3 million to 16.2 million.

The deficit could also be helped by larger payments from employees and the employer, however, the Actuary did not make any recommendation for increases this year. (Note – it was increased last April).

Other points of interest that came up during the meeting:

- MUN average salary is up from \$59,701 to \$64,241.
- 20 to 25% of pensions are paid from contributions, the rest from investments (interest revenue/capital gains)
- Experience in Quebec and Manitoba show that 1/3 stay working beyond age 65.
- The market value of the MUN Pension Fund at June 29th was 663.9 million dollars, which is up from 620.9M at March 31, 2009.
- Currently there are 3496 active members in the plan (1701 male and 1795 female)
- There are 1133 (F-416, M-717) pensioners and 207 survivors. (192 female and 15 male)