27 March 2009

University of Windsor Employees' Retirement Plan

Report on the Actuarial Valuation for Funding Purposes as at July 1, 2008

MERCER

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Financial Services Commission of Ontario Registration Number: 0310573
Canada Revenue Agency Registration Number: 0310573

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Summary of Results

Going-Concern Financial Position	01.07.2008	01.07.2007
Actuarial value of assets	$135,903,500	$129,614,800
Actuarial liability	$126,644,800	$119,098,100
Funding excess (unfunded liability)	$9,258,700	$10,516,700

Solvency and Wind-up Financial Position	01.07.2008	01.07.2007
Solvency assets	$131,065,700	$135,982,100
Solvency liability	$114,426,500	$112,425,000
Solvency excess (deficiency)	$16,639,200	$23,557,100
Transfer ratio	1.15	1.21

Funding Requirements (annualised)	**2008/2009**	**2007/2008**
Total current service cost	$6,631,700	$6,040,600
Estimated members' required contributions during the 1st plan year after the valuation date *	($2,162,900)	($1,919,100)
Estimated University matching contributions during the 1st plan year after the valuation date *	($2,162,900)	($1,919,100)
Estimated current service cost to be met from funding excess ** during:		
The 1st plan year after the valuation date	$2,305,900	$2,202,400
The 2nd plan year after the valuation date	$2,421,200	$2,312,500
The 3rd plan year after the valuation date	$2,542,300	$2,428,100
Total current service cost to be met from funding excess for 3 plan years after the valuation date	$7,269,400	$6,943,000
Funding excess as at the valuation date	$9,258,700	$10,516,700

* Beginning of plan year value
** As per Cost Sharing Provisions of the plan

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Introduction

Report on the Actuarial Valuation as at July 1, 2008

To University of Windsor

At your request, we have conducted an actuarial valuation of the University of Windsor Employees' Retirement Plan as at July 1, 2008. We are pleased to present the results of the valuation.

The purpose of this valuation is to determine:

- the funded status of the plan as at July 1, 2008 on going-concern and solvency bases, and
- the minimum funding requirement from July 1, 2008.

The next actuarial valuation of the plan will be required as at a date not later than July 1, 2011 or as at the date of an earlier amendment to the plan, in accordance with the minimum requirements of the *Pension Benefits Act of Ontario.*

This valuation reflects the provisions of the plan as at July 1, 2008. The plan has not been amended since the date of the previous valuation as at July 1, 2007. A summary of the plan provisions is provided in Appendix D.

We have used the same going-concern valuation methods and assumptions as were used for the valuation as at July 1, 2007.

The solvency assumptions have been updated to reflect market conditions as at July 1, 2008.

The assumptions used for purposes of this valuation are described in detail in Appendix B. All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

Since the valuation date, there have been significant declines in the financial markets. Based on the plan's target asset mix and the year-to-date return on key market indices, we estimate that the annualized return on the market value of assets from the valuation date to January 31, 2009 is approximately minus 18%, about 21% less than our long-term assumption. Consequently, the financial position of the plan has deteriorated since the valuation date. We have reflected the financial position of the plan as of the valuation date, July 1, 2008, and have not taken into account any experience after the valuation date.

After checking with representatives of University of Windsor, to the best of our knowledge there have been no other events subsequent to the valuation date which, in our opinion, would have a material impact on the results of the valuation.

We have assumed that all plan assets are available to cover the plan liabilities presented in this report.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice. It has also been prepared in accordance with the funding and solvency standards set by the *Pension Benefits Act of Ontario*.

The information contained in this report was prepared for the University of Windsor for its internal use and for filing with the Financial Services Commission of Ontario and with the Canada Revenue Agency, in connection with our actuarial valuation of the plan. This report is not intended or necessarily suitable for other purposes.

This report will be filed with the Financial Services Commission of Ontario and with the Canada Revenue Agency.

Respectfully submitted,

Bill Watson
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

March 30, 2009

Date

Saul Storchan
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

March 30, 2009

Date

University of Windsor Employees' Retirement Plan
Registration number with the Financial Services Commission of Ontario and with the Canada Revenue Agency: 0310573

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Financial Position of the Plan

Valuation Results — Going-Concern Basis

When conducting a valuation on a going-concern basis, we determine the relationship between the respective values of assets and accumulated benefits, assuming the plan will be maintained indefinitely.

Financial Position

The results of the valuation as at July 1, 2008, in comparison with those of the previous valuation as at July 1, 2007, are summarised as follows:

Financial Position — Going-Concern Basis

	01.07.2008	01.07.2007
Actuarial value of assets (adjusted market value)	$135,903,500	$129,614,800
Actuarial liability		
Present value of accrued benefits for:		
▪ active members	$78,623,900	$70,874,200
▪ disabled members	$2,940,900	$2,352,800
▪ deferred members	$1,251,000	$1,314,700
▪ pensioners	$42,016,900	$42,926,900
▪ suspended members	$1,812,100	$1,629,500
Total actuarial liability	$126,644,800	$119,098,100
Funding excess	$9,258,700	$10,516,700

Reconciliation of Financial Position

The plan's financial position, a funding excess of $9,258,700 as at July 1, 2008, is reconciled with its previous position, a funding excess of $10,516,700 as at July 1, 2007 as follows (rounded to the nearest $10,000):

Reconciliation of Financial Position

Funding excess as at July 1, 2007	$10,520,000
Interest on funding excess at 6.0% per year to July 1, 2008	$630,000
Loss on interest earned less than the valuation assumptions net of expenses	($12,191,000)
Gain due to asset smoothing adjustment	$11,210,000
Additional current service cost met from funding excess	($2,110,000)
Net gain due to salaries and YMPE increasing less than assumed	$960,000
Loss due to pension indexing increases effective July 1, 2008 greater than assumed	($110,000)
Net gain on rehires, terminations, deaths and retirements	$260,000
Net impact of other elements of gains and losses	$91,000
Funding excess as at July 1, 2008	$9,260,000

Valuation Results — Solvency Basis

When conducting a solvency valuation, we determine the relationship between the respective values of the plan's assets and its liabilities on a solvency basis, determined in accordance with the *Pension Benefits Act of Ontario*. The values of the plan's assets and liabilities on a solvency basis are related to the corresponding values calculated as though the plan were wound up and settled on the valuation date.

We have included the value of all benefits.

Financial Position on a Solvency Basis

The plan's solvency position as at July 1, 2008 in comparison with that of the previous valuation as at July 1, 2007, is determined as follows:

Solvency Position

	01.07.2008	**01.07.2007**
Market value of assets	$131,369,700	$136,257,100
In-transit amounts	($29,000)	$0
Termination expenses	($275,000)	($275,000)
Solvency assets	$131,065,700	$135,982,100
Solvency liabilities		
▪ active members	$63,880,600	$59,026,100
▪ disabled members	$2,949,400	$2,654,300
▪ deferred members	$1,527,800	$1,425,100
▪ pensioners	$44,640,400	$47,873,100
▪ suspended members	$1,428,300	$1,446,400
Solvency liabilities	$114,426,500	$112,425,000
Solvency excess	$16,639,200	$23,557,100
Transfer ratio	1.15	1.21

Impact of Plan Wind-Up

In our opinion, the value of the plan's assets would be greater than its actuarial liabilities if the plan were to be wound up on the valuation date. The market value of plan assets (net of amounts in transit) would exceed the actuarial liabilities by $16,639,200. This calculation includes a provision for termination expenses that might be payable from the pension fund.

Pension Benefit Guarantee Fund (PBGF) Assessment (Ontario)

The PBGF assessment is calculated as follows:

$1 for each Ontario member	$1,211.00
PLUS	
0.5% of PBGF assessment base up to 10% of PBGF liabilities	$0.00
PLUS	
1.0% of PBGF assessment base up to between 10% and 20% of PBGF liabilities	$0.00
PLUS	
1.5% of PBGF assessment base over 20% of PBGF liabilities	$0.00
PLUS	
PST @ 8%	$96.88
PBGF assessment (taking into account the limit per member)	$1,307.88

The PBGF assessment base and liabilities are derived as follows:

PBGF Assessment Base and PBGF Liabilities

PBGF liabilities	$114,426,500	(a)
Total solvency liabilities	$114,426,500	(b)
Ontario asset ratio	100%	(c) = (a) ÷ (b)
Market value of assets	$131,340,700	(d)
Ontario portion of the fund	$131,340,700	(e) = (c) x (d)
PBGF assessment base	$0	(f) = (a) - (e)

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Funding Requirements

Current Service Cost

The current service cost for the year beginning July 1, 2008, in comparison with the corresponding values determined in the previous valuation for the period beginning July 1, 2007, are summarised below:

Current Service Cost

	2008	2007
Total current service cost	$6,631,700	$6,040,600
Estimated members' required contributions during the 1st plan year after the valuation date *	($2,162,900)	($1,919,100)
Estimated University matching contributions during the 1st plan year after the valuation date *	($2,162,900)	($1,919,100)
Estimated current service cost to be met from funding excess ** during:		
The 1st plan year after the valuation date	$2,305,900	$2,202,400
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The 3rd plan year after the valuation date	$2,542,300	$2,428,100
Total current service cost to be met from funding excess for 3 plan years after the valuation date	$7,269,400	$6,943,000
Funding excess as at the valuation date	$9,258,700	$10,516,700

* Beginning of plan year value
** As per Cost Sharing Provisions of the plan

Under the cost sharing provisions of the plan, subject to any limits under the *Income Tax Act*, the funding excess is applied to reduce the University's contributions to the same amount as the employee contributions. If the funding excess is insufficient and the University contributions cannot be reduced to the same amount as the employee contributions, then the employee contributions are to be increased such that the members and the University each contribute 50% of the total amount required to fund the plan.

Income Tax Act Limit on University Contributions

In accordance with Section 147.2 of the *Income Tax Act*, the plan may not retain its registered status if the University makes a contribution while the funding excess ($9,258,700 as at July 1, 2008) exceeds the lesser of:

20% of the going-concern actuarial liability ($25,328,960); and

the greater of:

- 10% of the going-concern actuarial liability ($12,664,480); and
- two years of total current service cost ($13,263,400),

which equals $13,263,400.

Since the funding excess does not exceed the maximum allowed under Section 147.2 of the *Income Tax Act*, the University may make the monthly contributions required under the plan until the next valuation.

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Actuarial Opinion

**Actuarial Opinion with Respect to
the Actuarial Valuation as at July 1, 2008
of the Pension Plan for the Employees of
University of Windsor**
Registration No. 0310573

Based on the results of this valuation, we hereby certify that, as at July 1, 2008,

- Taking into account the cost sharing provisions of the plan, the current service cost for the Plan is summarized as follows:

Current Service Cost *

Year	Estimated Employee Contributions	Estimated University Matching Contributions	Estimated Current Service Cost Met from Funding Excess	Estimated Total Current Service Cost
July 1, 2008 to June 30, 2009	$2,162,900	$2,162,900	$2,305,900	$6,631,700
July 1, 2009 to June 30, 2010	$2,271,000	$2,271,000	$2,421,200	$6,963,200
July 1, 2010 to June 30, 2011	$2,384,500	$2,384,500	$2,542,300	$7,311,300

* All figures are beginning of plan year values

- The plan has a funding excess of $9,258,700 as at July 1, 2008, on the basis of the assumptions and methods described in this report.

- The plan has a solvency excess of $16,639,200 as at July 1, 2008. No special payments are required for solvency purposes.

- The solvency liabilities used to determine the solvency status of the plan do not exclude any benefit provided under the Plan.

- The Pension Benefits Guarantee Fund annual assessment under Section 37 of the Regulations to the *Ontario Pension Benefits Act* is $1 per Ontario Plan Beneficiary. The estimated PBGF assessment for 2008 is $1,307.88 payable no later than March 31, 2009.

- The transfer ratio of the plan is 1.15. The Prior Year Credit Balance on July 1, 2008 is $0.

- In our opinion,

  - the data on which the valuation is based are sufficient and reliable for the purposes of the valuation,
  - the assumptions are, in aggregate, appropriate for the purposes of determining the funded status of the plan as at July 1, 2008 on going-concern and solvency bases, and determining the minimum funding requirements, and
  - the methods employed in the valuation are appropriate for the purposes of determining the funded status of the plan as at July 1, 2008 on going-concern and solvency bases, and determining the minimum funding requirements.

- This report has been prepared, and our opinions given, in accordance with accepted actuarial practice.

- All assumptions made for the purposes of the valuation were reasonable at the time the valuation was prepared.

Bill Watson
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

March 30, 2009

Date

Saul Storchan
Fellow of the Society of Actuaries
Fellow of the Canadian Institute of Actuaries

March 30, 2009

Date

Appendix A

Plan Assets

Sources of Plan Asset Data

The pension fund is held in trust by Northern Trust Company and is invested by the following investment managers:

- McLean Budden
- Foyston, Gordon and Payne
- Phillips, Hager and North
- State Street Global Advisors (Indexed)
- New Star

The University allocates the fund between managers.

We have relied upon fund statements prepared by Northern Trust, the Plan Trustee for the period from July 1, 2006 to July 1, 2008.

Reconciliation of Plan Assets

The pension fund transactions for the period from July 1, 2006 to July 1, 2008 are summarized as follows:

Reconciliation of Plan Assets (Market Value)

	2006/2007	**2007/2008**
July 1	$118,868,841	$136,257,057
PLUS:		
Members' contributions	$2,065,810	$2,073,012
University contributions	$2,058,860	$2,071,809
Transfers	$0	$0
Investment income, realized and unrealized gains	$18,384,141	$(3,252,241)
	$22,508,811	$892,580
LESS		
Pensions paid	$4,350,128	$4,332,315
Lump-sum refunds	$198,474	$659,430
Administration and investment expenses	$571,993	$788,242
	$5,120,595	$5,779,987
June 30	$136,257,057	$131,369,650
Rate of return (net of expenses)	15.01%	-2.97%

This asset value at June 30, 2008 is adjusted to reflect in-transit benefit payments of $28,992. The resulting market value is $131,340,658.

We have tested the pensions paid, the lump-sum refunds and the contributions for consistency with the membership data for the plan members who have received benefits or made contributions. The results of these tests were satisfactory.

Investment Policy

The statement of investment policy and objectives was adopted June, 2008. This policy is intended to provide guidelines for the managers as to the level of risk which is commensurate with the plan's investment objectives. A significant component of this investment policy is the asset mix.

The constraints on the asset mix, and the actual asset mix as at July 1, 2008, are provided for information purposes:

Distribution of the Market Value of the Fund by Asset Class

	Investment Policy			Actual Asset Mix as at
	Minimum	**Target**	**Maximum**	**July 1, 2008**
Stocks	50%	60%	65%	56%
Bonds	25%	35%	45%	42%
Mortgages	0%	0%	0%	0%
Real estate	0%	0%	0%	0%
Cash and cash equivalents	0%	5%	15%	2%
		100%		100%

Appendix B

Actuarial Methods and Assumptions

Actuarial Valuation Methods — Going-Concern Basis

Valuation of Assets

For this valuation, we have continued to use a moving three-year average method to determine the actuarial value of plan assets.

Under this method, fund investment return (net of expenses) above or below the expected return of 6% during a given year are spread on a straight-line basis over 3 years. As a result, the asset value produced as at July 1, 2008 recognises the following percentages of the fund investment return different from the expected return of 6% that arose during the past 3 years:

2007 / 2008:	33.33%
2006 / 2007:	66.67%
before 2006 / 2007:	100.00%

The asset values produced by this method are related to the market value of the assets, with the advantage that, over time, the market-related asset values will tend to be more stable than market values. To the extent that more capital gains than losses will arise over the long term, the actuarial value will tend to be lower than the market value.

The actuarial value of the assets, determined as at July 1, 2008 under this adjusted market value method, is $135,903,500.

This value was derived as follows:

Actuarial Value of Assets as at July 1, 2008

Market value of assets		$131,340,658
LESS		
Fund returns above or below	2006/2007: $10,692,736 x 1/3 =	$3,564,245
expected 6%	2007/2008: ($12,190,499) x 2/3 =	($8,126,999)
		($4,562,764)
Actuarial value of assets		$135,903,412

The actuarial value of the assets, determined as at July 1, 2008 under the adjusted market value method, is $135,903,412.

Valuation of Actuarial Liabilities

Over time, the real cost to the University of a pension plan is the excess of benefits and expenses over member contributions and investment earnings. The actuarial cost method allocates this cost to annual time periods.

For purposes of the going-concern valuation, we have continued to use the projected unit credit actuarial cost method. Under this method, we determine the actuarial present value of benefits accrued in respect of service prior to the valuation date, including ancillary benefits, based on projected final average earnings. This is referred to as the *actuarial liability*.

The *funding excess* or *unfunded liability*, as the case may be, is the difference between the actuarial value of assets and the actuarial liability. An unfunded liability will be amortised over no more than 15 years through special payments as required under the *Benefits Act of Ontario*.

This actuarial funding method produces a reasonable matching of contributions with accruing benefits. Because benefits are recognized as they accrue, the actuarial funding method aims at keeping the plan fully funded at all times. This promotes benefit security, once any unfunded liability and solvency deficiencies have been funded.

Current Service Cost

The current service cost is the actuarial present value of projected benefits to be paid under the plan with respect to service during the year following the valuation date.

Under the projected unit credit actuarial cost method, the current service cost for an individual member will increase each year as the member approaches retirement. However, the current service cost of the entire group, expressed as a percentage of the members' pensionable earnings, can be expected to remain stable as long as the average age of the group remains constant.

Under the cost sharing provisions of the plan, subject to any limits under the *Income Tax Act*, the funding excess, if any, is applied to reduce the University's contributions to the same amount as the employee contributions. If the funding excess is insufficient and the University contributions cannot be reduced to the same amount as the employee contributions, then the employee contributions are to be increased such that the members and the University each contribute 50% of the total amount required to fund the plan.

Actuarial Assumptions — Going-Concern Basis

The actuarial value of benefits is based on economic and demographic assumptions. At each valuation, we determine whether, in our opinion, the actuarial assumptions are still appropriate for the purposes of the valuation, and we revise them if necessary.

In this valuation, we have used the same assumptions as in the previous valuation. Emerging experience will result in gains or losses that will be revealed and considered in future actuarial valuations. For this valuation, we have used the following assumptions:

Economic Assumptions

Investment Return

W have assumed that the investment return on the actuarial value of the fund, net of expenses charged to the fund, will average 6.0% per year over the long term.

Expenses

The assumed Investment Return reflects an implicit allowance for investment and administration expenses of 0.50% per year.

Increases in Pensionable Earnings

The benefits ultimately paid will depend on each member's final average earnings. To calculate the pension benefits payable upon retirement or death, we have assumed that pensionable earnings will increase at the rate of 5.0% per year.

Increases in the YMPE

Since the benefits provided by the plan depend on the final average Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan, it is necessary to make an assumption about increases in the YMPE for this valuation. We have assumed that the YMPE will increase at the rate of 3.5% per year from its 2008-2009 level of $45,600 (average of $44,900 for 2008 and $46,300 for 2009). Previously we assumed that the YMPE will increase at the rate of 3.5% per year from its 2007-2008 level of $44,300 (average of $43,700 for 2007 and $44,900 for 2008).

Increases in the Maximum Pension Permitted under the Income Tax Act

The Income Tax Act stipulates that the maximum pension that can be provided under a registered pension plan will be increased from $2,222.22 in 2007 to $2,333.33 in 2008, $2,444.44 in 2009, and, starting in 2010, in accordance with general increases in the average wage. For this valuation, we have assumed that the maximum pension payable under the plan, for retirements after 2009, will increase from $2,444.44 at the rate of 3.5% per year starting in 2010.

Demographic Assumptions

Retirement Age

Because early retirement pensions may be reduced in accordance with a formula, the retirement age of plan members has an impact on the cost of the plan. We have assumed that active members will retire at age 64 with an unreduced pension or on the valuation date if older than age 64. Terminated members entitled to a deferred vested benefit are assumed to retire at age 65.

Mortality

The actuarial value of the pension depends on the lifetime of the member. We have assumed mortality rates, both before and after retirement, in accordance with the Uninsured Pensioner Mortality Table for 1994 with projected mortality improvements using mortality projection scale AA (UP94 Generational).

Termination of Employment

No allowance has been made for possible release of liabilities due to terminations of employment prior to full vesting.

Disability

No allowance has been made to account for the probability of becoming disabled and continuing to accrue benefits.

Family Composition

No assumption required.

Indexation of Pensions in Payment

No assumption required as post-retirement indexing is one-half of the excess of the fund rate of return over the valuation interest rate, capped at 50% of the CPI for the year.

Actuarial Valuation Methods and Assumptions — Solvency Basis

We have used the market value of the plan's assets in our valuation of the plan for solvency purposes.

To determine the solvency actuarial liability, the benefits valued are those that would have been paid had the plan been wound up on the valuation date, including benefits that would be immediately payable if the University discontinued on July 1, 2008, with all members fully vested in their accrued benefits. No benefits payable on plan wind up were excluded from our calculations.

We have considered that members under 55 years of age on that date would be entitled to a deferred pension payable from age 65 or such earlier age for which plan eligibility requirements have been satisfied at July 1, 2008. Members aged 55 and over are considered to be entitled to an immediate pension, reduced in accordance with the plan rules. We have also considered that members whose age plus years of service equal at least 55 at July 1, 2008 would be entitled to a deferred pension payable from the age that would produce the greatest value if employment were to have continued for the purpose of determining eligibility for early retirement benefits.

Benefits are assumed to be settled through a lump sum transfer for members under age 55. The value of these benefits is based on the assumptions, applicable for July 1, 2008, for benefits expected to be settled through transfer in accordance with relevant portability requirements described in the Standard of Practice for Determining Pension Commuted Values recommended by the Canadian Institute of Actuaries that became effective February 1, 2005. For members age 55 and older, benefits are assumed to be settled through the purchase of annuities.

Assumptions are as follows:

Actuarial Assumptions

Mortality rates:	UP-1994 projected to 2015 sex distinct
Interest rates for benefits to be settled through lump sum transfer:	4.00% per year for the first 10 years following July 1, 2008, 5.00% per year thereafter, assumed applicable to all active, disabled, suspended and deferred members who are not eligible for immediate retirement benefits as of July 1, 2008
Interest rates for benefits to be settled through annuity purchase:	Immediate annuities: 5.20% per year for all years following July 1, 2008, assumed applicable to all pensioners Deferred annuities: 4.80% per year for all years following July 1, 2008, assumed applicable to all active, disabled, suspended and deferred members who are eligible for immediate retirement benefits as of July 1, 2008
Post-retirement indexing rates:	<u>Active, disabled, suspended and deferred members:</u> 0.0% per year. <u>Pensioners:</u> (based on excess returns before July 1, 2008) 0.0% on July 1, 2009, 0.0044% on July 1, 2010, and, 0.00% thereafter.
Final average earnings:	Assumed equal to the average of pensionable earnings rates over the last five years
ITA Maximum Pension Limit:	Applicable limit is for the year of assumed retirement. The limit is $2,222.22 for 2007, $2,333.33 for 2008, and $2,444.44 for 2009. After 2009, the limit is assumed to increase 3.5% per annum.
Termination expenses:	$275,000 *

* Actual amount of termination expenses will depend on the actual circumstances at the time of actual plan wind-up and may vary materially from the amount shown above.

In a solvency valuation, the accrued benefits are based on the member's final earnings and the YMPE as in effect on the valuation date. Therefore, no salary or YMPE projections are used. Also, the employment of each member is assumed to have terminated on the valuation date; therefore, no assumption is required for future rates of termination of employment or disablement.

In determining the estimated termination expenses, we have assumed that the plan sponsor is solvent.

Appendix C

Membership Data

Analysis of Membership Data

The actuarial valuation is based on membership data as at July 1, 2008, provided by University of Windsor.

We have applied tests for internal consistency, as well as for consistency with the data used for the previous valuation. These tests were applied to membership reconciliation, basic information (date of birth, date of hire, date of membership, sex, etc.), pensionable earnings levels, contributions accumulated with interest, credited service, and pensions to retirees and other members entitled to a deferred pension. Lump sum payments and pensions to retirees were compared with corresponding amounts reported in financial statements. The results of these tests were satisfactory.

Plan membership data are summarised below. For comparison, we have also summarised corresponding data from the previous valuation.

Membership Data

	01.07.2008	01.07.2007
Active Members		
▪ Number	775	737
▪ Total pensionable earnings (2008/2009, 2007/2008)	$45,551,179	$41,689,636
▪ Average pensionable earnings	$58,776	$56,567
▪ Average years of pensionable service	11.16 yrs.	11.0 yrs.
▪ Average age	45.7	45.5
▪ Accumulated contributions with interest	$25,122,894	$22,834,860
Disabled Members		
▪ Number	20	16
▪ Average age	56.2	57.0
Suspended Members		
▪ Number	13	11
▪ Average age	52.5	50.8
Deferred Pensioners		
▪ Number	69	70
▪ Total annual pension	$172,953	$162,449
▪ Average annual pension	$2,507	$2,321
▪ Average age	46.8	46.0
Pensioners and Survivors		
▪ Number	334	334
▪ Total annual lifetime pension	$3,864,252	$3,857,886
▪ Total annual temporary pension	$434,320	$505,385
▪ Average annual lifetime pension	$11,570	$11,551
▪ Average annual temporary pension	$7,620 (57 pensioners)	$7,220 (70 pensioners)
▪ Average age	72.2	71.7

The membership movement for all categories of membership since the previous actuarial valuation is as follows:

Reconciliation of Membership

	Actives	Suspended	Disabled	Deferred Pensioners	Pensioners and Beneficiaries	Total
Total at 01.07.2007	737	11	16	70	334	1,168
New Entrants	66	-	-		-	66
Data correction	-	-		6	-	6
Terminations						
▪ Transfers / refunds	(9)	-	-	(12)	-	(21)
▪ Deferred Pensions	(4)	-	(1)	5	-	-
Suspended	(2)	2	-	-	-	-
Re-activated	1	-	(1)	-	-	-
Deaths	(1)			-	(9)	(10)
Survivors	-	-	-	-	2	2
Retirements	(7)	-	-		7	-
Pensions Ceased	-	-	-	-	-	-
LTD	(6)	-	6	-	-	-
Total at 01.07.2008	775	13	20	69	334	1,211

The distribution of the active members by age and pensionable service as at July 1, 2008 is summarised as follows:

Distribution of Active Members by Age Group and Pensionable Service as at July 1, 2008

	Years of Pensionable Service							
AGE	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**TOTAL**
20 – 24	7							7
	$49,564							$49,564
25 – 29	47	6						53
	$51,711	$54,655						$52,044
30 – 34	57	20						77
	$56,159	$63,369						$58,032
35 – 39	53	25	8	5				91
	$59,215	$62,547	$60,105	$56,259				$60,047
40 – 44	41	30	7	20	7			105
	$58,275	$59,248	$65,769	$56,641	$68,140			$59,399
45 – 49	40	28	15	17	46			146
	$58,702	$64,158	$62,684	$59,951	$64,491			$62,127
50 – 54	34	17	23	16	21	27		138
	$54,568	$55,508	$55,654	$60,997	$53,912	$60,040		$56,581
55 – 59	17	16	4	16	22	16	25	116
	$62,334	$59,154	$60,877	$53,767	$55,386	$67,242	$63,725	$60,322
60 – 64	7	6	3	7	4	6	6	39
	$46,311	$45,347	$50,166	$53,415	$62,551	$62,308	$83,309	$57,553
60 – 64	1	1					1	3
	*	*					*	$51,881
	304	149	60	81	100	49	32	775
TOTAL	$56,333	$60,184	$59,259	$57,326	$60,444	$62,670	$67,007	$58,776

** For individual cells with information on two members or less, the average pensions are not disclosed for confidentiality reasons*

The distribution of the inactive members by age as at July 1, 2008, is summarised as follows:

Distribution of Inactive Members by Age Group as at July 1, 2008

	Deferred Pensioners		Pensioners and Survivors		
AGE	**Number**	**Average Lifetime Pension**	**Number**	**Average Lifetime Pension**	**Average Bridge Pension**
20 - 24					
25 - 29	4	$509			
30 - 34	8	$876			
35 - 39	12	$2,478			
40 - 44	7	$2,361			
45 - 49	13	$2,913			
50 - 54	4	$31			
55 - 59	11	$1,159	22	$17,729	$7,271
60 - 64	9	$6,549	51	$16,247	$5,380
65 - 69	1	*	69	$12,354	
70 - 74			68	$11,463	
75 – 79			59	$10,970	
80 – 84			41	$6,454	
85 – 89			23	$4,375	
90 +			1	*	
TOTAL	69	$2,507	334	$11,570	$7,620

** For individual cells with information on two members or less, the average pensions are not disclosed for confidentiality reasons*

Appendix D

Summary of Plan Provisions

Plan History

The Retirement Plan covering employees of Assumption College came into effect on September 1, 1955, and this was changed as of July 1, 1963 to the Plan for Employees of the University of Windsor.

This plan was amended as at January 1, 1965 so as to conform to the requirements of the *Pension Benefits Act of Ontario*, and again on January 1, 1966 to co-ordinate contributions and benefits with those payable under the Canada Pension Plan.

The University of Windsor Employees' Retirement Plan was amended as at July 1, 1971 to exclude members of the faculty and employees holding the rank of Department Director, Dean or Vice-President. As of the same date, assets and liabilities for employees of Assumption High School were transferred out of the plan. Amendments to the plan were made as of July 1, 1972, July 1, 1974 when benefits were increased, and July 1, 1977.

Effective April 1, 1981, the plan was amended for Plan Members belonging to several unions, to provide normal retirement on the last day of the month coincident with or next following attainment of age 65.

Effective July 1, 1984, Members disabled on and after that date are not required to contribute to the plan. The Member accrues retirement income based on his deemed Earnings in the year of disability plus any improvements in earnings as provided in subsequent contracts or University policies.

Effective July 1, 1985, the plan was amended to improve the supplementary pension to provide a total annual benefit of 2.00% of the Members' Best Average Earnings which is in excess of the Average Canada Pension Plan Base plus 1.25% of such earnings up to the Average Canada Pension Plan Base, multiplied by years of contribution to the Plan plus years of past service.

Effective July 1, 1987, the plan was amended to incorporate negotiated upgrades. The supplementary pension was improved to provide a total annual benefit of 2.00% of the Member's Best Average Earnings which is in excess of the Average Canada Pension Plan Base plus 1.30% of such earnings up to the Average Canada Pension Plan Base multiplied by years of contribution to the plan plus years of past service.

In addition, the amendment required that the University contribute each year, as a minimum, an amount equal to the aggregate regular employee contributions for the year. A provision for post retirement indexing for active, deferred vested and retired Members in the plan on or after November 13, 1987 was also added. The provision stated that the retirement income of a retiree should be increased annually on each June 30 by one-half of the percentage that the Average Fund Rate of Return exceeds the Valuation Interest Rate, but in no case greater than 50% of the CPI for that year. The provision also provided for the non-reduction of pensions.

Further, the early retirement reduction was changed from actuarial equivalent to a reduction of 1/3 of 1% for each month between ages 60 and 65 inclusive, and 1/2 of 1% for each month between ages 55 and 59 inclusive.

Effective January 1, 1988, the plan was amended to incorporate the provisions of the Pension Benefits Act of Ontario, 1987.

Effective August 1, 1991, the plan was amended to provide for a Voluntary Early Retirement (VER) program.

Effective January 1, 1992, the plan was amended and restated to incorporate changes to the Income Tax Act.

Effective July 1, 1996, the plan was amended and restated to incorporate negotiated benefit improvements. The Voluntary Early Retirement program was extended to June 30, 1999 and the retirement benefit formula was increased for active members and those members on Long Term Disability.

Effective July 1, 1999, the plan was amended and restated to incorporate negotiated benefit improvements. The Voluntary Early Retirement program was extended to June 30, 2002 and the retirement benefit formula was increased for active members and those members on Long Term Disability.

Effective July 1, 2002, the plan was amended and restated to incorporate negotiated benefit improvements. The Voluntary Early Retirement program was extended to June 30, 2005 and the retirement benefit formula was increased for active members and those members on Long Term Disability.

This valuation is based on the plan provisions in effect on July 1, 2008. The following is a summary of the plan's main provisions in effect on July 1, 2008. It is not intended as a complete description of the plan.

Provisions in Effect July 1, 2008

Eligibility for Membership

Any Non-Teaching Employee must become a Member upon completion of 30 days of employment. However, each Union member must become a Member on his/her seniority date.

An Employee who is employed on a less than full-time basis is eligible to become a Member on the first day of the month coincident with or following the completion of 24 months of Continuous Service, provided that he/she has either earned at least 35% of the Year's Maximum Pensionable Earnings, or worked at least 700 hours in each of the two immediately preceding consecutive calendar years.

Contributions

Members contribute an amount equal to:

(i) 6% of their earnings up to the Year's Basic Exemption; plus

(ii) 4.2% of earnings in excess of the Year's Basic Exemption, up to the Year's Maximum Pensionable Earnings; plus

(iii) 6% of their earnings in excess of the Year's Maximum Pensionable Earnings.

Earnings are defined as the gross salary or wage, as determined by the University. Subject to contribution limits under the Income Tax Act, the University shall contribute a minimum amount equal to the employee contributions in aggregate.

Provision is also made for the Members to contribute additional voluntary contributions up to the limits allowed for deductibility under the appropriate sections of the Income Tax Act.

Cost Sharing Provisions

If at any time, the Actuary certifies that the assets of the Pension Fund exceed its liabilities (such excess referred to as "funding excess"), such funding excess shall be applied in the following order:

(a) first, the funding excess shall be applied to reduce or eliminate any unfunded liabilities or experience deficiencies.

(b) second, the funding excess shall be applied to reduce the University's contributions in respect of the normal cost of benefits, provided that, where permitted under the *Income Tax Act*, the amount contributed by the University each Plan Year shall not be less than the aggregate regular employee contributions for the years.

If, after the application of funding excess, the University's contributions exceed the aggregate regular employee contributions, the employee contributions shall be increased such that the members and the University each contribute 50% of the total amount required to fund the Plan provided that the aggregate contributions made by a Member for any calendar year shall not exceed the maximum amount permitted under the *Income Tax Act* for that calendar year.

Retirement Dates

Normal Retirement Date

Each Plan Member attains Normal Retirement Date on the first day of the month following attainment of age 65.

Early Retirement Date

Early retirement is permitted during the 10-year period prior to the Normal Retirement Date.

Disability Retirement Date

Retirement on total and permanent disability is allowed after age 50 and completion of 15 years of Continuous Service.

Postponed Retirement Date

A Member may elect to postpone retirement beyond Normal Retirement Date on a year-to-year basis, but in no event for more than two years.

Retirement Benefits

Normal Retirement Pension

An annual pension payable monthly equal to:

(i) 1.5% of the Member's Best Average Earnings not in excess of the Average Canada Pension Plan Base; plus

(ii) 2% of the Member's Best Average Earnings in excess of the Average Canada Pension Plan Base;

multiplied by

(iii) the Member's Pensionable Service.

Best Average Earnings means the average of an employee's highest consecutive 60 months earnings.

Early Retirement Pension

If a member retires early, the member will be entitled to a pension that is calculated the same way as for a normal retirement. The pension payable will be reduced by 1/3 of 1% for each month between ages 60 and 65 inclusive, and 1/2 of 1% for each month between ages 55 and 59 inclusive.

Postponed Retirement Pension

If a member elects to postpone retirement, the member will be entitled to a pension that is calculated the same way as for a normal retirement.

Disability Retirement Pension

If a member retires early, the member will be entitled to a pension that is calculated the same way as for a normal retirement. The pension payable will not be reduced to reflect the early payment in the event of total and permanent disability retirement.

Post-Retirement Indexing

Each June 30, pensions are adjusted by one-half of the excess of the Average Fund Rate of Return over the valuation interest rate, capped at 50% of the CPI for the year. This adjustment is not allowed to reduce pensions. Members retiring in the year the adjustment is made will receive a pro-rated portion of the adjustment.

Maximum Pension

The total annual pension payable from the plan upon retirement, death or termination of employment shall not exceed the lesser of:

i) 2% of the average of the Members' best three consecutive years' remuneration for each year of Pensionable Service; and

ii) $2,111.11 for 2007; $2,222.22 for 2008; $2,333.33 for 2008; $2,444.44 for 2009; $2,444.44 indexed from 2010 or such greater benefit as may be permitted under the Income Tax Act, multiplied by the Pensionable Service.

For service prior to January 1, 1992, service is capped at 35 years when determining the maximum pension. Also, for service prior to January 1, 1992, the value of the pension benefit provided upon early retirement cannot exceed the above maximum pension payable at age 60 in the form of a single life annuity guaranteed for 10 years.

For service on and after January 1, 1992, the above maximum must be reduced by ¼ of 1% for each month by which pension commencement preceded the earliest day on which:

- the Member attains age 60;
- the Member's age plus Continuous Service or equal to 80;
- the Member completes 30 years of Continuous Service;
- the Member suffers a total and permanent disability.

Survivor Benefits

Death Before Retirement

If a Member should die while in the service of the University prior to his Normal Retirement Date, the designated beneficiary shall receive a lump sum cash settlement equal to the sum of the following:

i) a 100% of the Member's required contributions made prior to January 1, 1987, with Credited Interest, increasing by 10% for each complete year of Continuous Service in excess of 10 years, reaching 200% after 20 or more years of Continuous Service;

ii) the greater of :

a) 100% of the Member's required contributions made on and after January 1, 1987, with Credited Interest, increasing by 10% for each complete year of Continuous Service in excess of 10 years, reaching 200% after 20 or more years of Continuous Service; and

b) the Commuted Value of the pension accrued on and after January 1, 1987;

iii) Member's additional voluntary contributions with Credited Interest.

Death After Retirement

The normal pension is payable for life and guaranteed for 60 months in any event, but optional forms may be elected for an actuarially adjusted amount provided such election is made at least 3 months prior to retirement.

If the member has a spouse on the date pension payments commence, the automatic form of payment is a 60% joint and survivor pension. The amount of this pension will be the actuarial equivalent of the normal form pension.

Termination Benefits

a) Benefits Earned Prior To January 1, 1987

A Member who terminates employment with the University after the attainment of age 45 and after completion of 10 years of Continuous Service is entitled to a locked-in deferred pension with respect to benefits accrued prior to January 1, 1987.

A Member who terminates before the attainment of age 45 or before completion of 10 years of Continuous Service may elect to receive, in lieu of the deferred pension, a lump sum refund of his/her required contributions with Credited Interest.

A terminating Member may elect to transfer the Commuted Value of the deferred pension with respect to benefits accrued prior to January 1, 1987, to another registered pension plan or registered retirement savings plan.

b) Benefits Earned On And After January 1, 1987

A Member who terminates employment after the completion of 2 years of Plan membership is entitled to a locked-in deferred pension with respect to benefits accrued on and after January 1, 1987.

A Member who terminates employment before the completion of two years of Plan membership may elect to receive, in lieu of the deferred pension, a lump sum refund of his/her required contributions with Credited Interest.

A terminating Member may elect to transfer the Commuted Value of the deferred pension with respect to benefits accrued after January 1, 1987, to another registered pension plan or locked-in registered retirement savings plan.

c) Additional Voluntary Contributions

A Member who terminates employment is entitled to either:

(i) leave the balance of any additional voluntary contributions, under the Plan to provide an additional pension; or

(ii) receive a lump sum refund of any additional voluntary contributions with Credited Interest.

50% Cost Rule

If a Member dies, retires or terminates employment and his/her own contributions made after January 1, 1987, with Credited Interest thereon, exceeds 50% of the value of the benefit earned in respect of that service, then the excess shall be paid to the Member, or his/her Spouse or Beneficiary in the case of a deceased Member, in a single lump sum payment.

Disability Accrual

During any period of Total Disability, the Member shall continue to accrue benefits under the Plan as though he/she were still actively employed, but the Member shall be deemed to have received Earnings during the disability period based on his/her level of Earnings prior to disability including improvements in earnings as provided in subsequent contracts or University policies.

Appendix E

University Certification

With respect to the report on the actuarial valuation of the University of Windsor Employees' Retirement Plan, as at July 1, 2008, I hereby certify that, to the best of my knowledge and belief:

- a copy of the official plan documents and of all amendments made up to July 1, 2008, were provided to the actuary;
- the membership data provided to the actuary include a complete and accurate description of every person who is entitled to benefits under the terms of the plan for service up to July 1, 2008; and
- all events subsequent to July 1, 2008 that may have an impact on the results of the valuation have been communicated to the actuary.

MARCH 27, 2009
Date

Signed

STEPHEN WILLETTS
VP ADMINISTRATION & FINANCE

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