



MEMO

To: All Active Members – Employees’ Retirement Plan

Date: April 5, 2022

Subject: Employees’ Retirement Plan Update: Revised Contribution Rates effective April 4, 2022

As a member of the University of Windsor Employees’ Retirement Plan Reg. #0310573 (or “the Plan”) we are writing to provide you with information on upcoming changes to the pension contribution requirements effective April 4, 2022.

Filing of New Valuation

A meeting was held with the Employees’ Retirement Committee and the Unifor Pension Advisory Committee on March 14, 2022 to review the most recent financial evaluation of the Plan – called an *actuarial valuation* - as at July 1, 2021. The committee decided to file the July 1, 2021 actuarial valuation rather than wait until January 1, 2023, when the next actuarial valuation would have otherwise been required. This valuation allows the Plan to return to the normal July to June plan year cycle and provides the University and plan members certainty of contribution requirements for the next three years at a more favourable rate.

Results of the July 1, 2021 Actuarial Valuation

As of July 1, 2021, the financial health of the Plan remains strong. When comparing the Plan assets to the present value of the promised benefits – called *actuarial liabilities* - the Plan is 118% funded on a going-concern basis and 103% on a solvency basis. Furthermore, adjustments to the plan’s investment allocation and the long-term outlook of economic conditions since January 1, 2020, have resulted in a reduction in the required contribution rates in the new actuarial valuation.

New Contribution Schedule for the Plan

The current schedule of contribution rates was established based on the results of the last actuarial valuation as at January 1, 2020. The change in contribution rates from the prior schedules will be phased-in over two periods.

- **Phase 1:** The first phase reflects the fact that pension costs have decreased retroactive to July 1, 2021. As such, credit will be provided through temporary reductions to contributions that will be applied over a period of 4 weeks starting with the pay period that begins April 4, 2022.
- **Phase 2:** The University and member contribution rates will then revert to the new, lower contribution level starting with the pay period that begins May 2, 2022.

The following table outlines the member and University current and new contribution rates:

Pensionable Earnings	Prior to April 4, 2022 Monthly Contribution Rate	New Contribution Rates	
		Phase 1 Apr 4, 2022 to May 1, 2022	Phase 2 May 2, 2022 to June 30, 2024
Earnings up to the YBE* of \$3,500	9.4%	3.7%	8.9%
Earnings above YBE and up to the YMPE of \$64,900	6.6%	2.6%	6.2%
Earnings above YMPE of \$64,900	9.4%	3.7%	8.9%
Aggregate Rate (approx.)	7.2%	2.8%	6.8%

*YBE = Year's Basic Exemption under the Canada Pension Plan

YMPE = Year's Maximum Pensionable Earnings under the Canada Pension Plan

The Payroll department will implement the above contribution rates beginning April 4, 2022. You will see the Phase 1 change in pension contributions on the pay that is deposited to your account on April 21, 2022 and the Phase 2 change on the pay that is deposited to your account on May 19, 2022.

Should you have any questions regarding this matter, please contact your pension representative listed below or alternatively, I can be reached at ext. 2014, or by email to cheryl@uwindsor.ca.

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Sincerely,



Cheryl Paglione
Executive Director, Pensions, Benefits & HRIS