30 March 2009

University of Windsor Pension Plan for Faculty and Certain Employees

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: 0366849
Canada Revenue Agency Registration Number: 0366849

Consulting. Outsourcing. Investments.

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Summary of Results

Going-Concern Financial Position	**01.07.2008**	**01.07.2007**
Actuarial value of assets	$300,842,616	$316,148,501
Actuarial liability	$323,798,075	$330,478,577
Funding excess (unfunded liability)	($22,955,459)	($14,330,076)

Wind-Up Financial Position	**01.07.2008**	**01.07.2007**
Market value of assets net of termination expenses	$300,492,616	$315,798,501
Total wind-up liability	$330,984,146	$337,685,554
Wind-up excess (deficiency)	($30,491,530)	($21,887,053)

Solvency Financial Position	**01.07.2008**	**01.07.2007**
Adjusted solvency assets (1)	$312,157,973	$323,141,065
Solvency liability (2)	$279,846,462	$288,835,923
Solvency excess (deficiency) (2)	$32,311,511	$34,305,142
Transfer ratio	0.91	0.94
Ratio of solvency assets to solvency liabilities	1.07	1.09

(1) Including the present value of next 5 years' of going concern payments. This present value is excluded to calculate the ratio of solvency assets to solvency liabilities.

(2) Excluding the value of the contractual indexing of pensions after retirement. Had these benefits been included the liability would have been increased by $51,137,684, and the 1/7/08 solvency excess would have become a solvency deficiency of $18,826,173.

Funding Requirements (annualised)	**July 1, 2008 to June 30, 2009**	**July 1, 2007 to June 30, 2008**
Minimum Guarantee current service cost	$3,342,849	$3,903,200
Money Purchase contributions	$8,047,008	$7,470,600
Total current service cost	$11,389,857	$11,373,800
Estimated members' required contributions	$4,023,504	$3,735,300
Estimated University's current service cost	$7,366,353	$7,638,500
University's current service cost as a percentage of members' pensionable earnings	10.93%	12.19%
Minimum special payments	$2,646,756	$1,650,051
Estimated minimum University contribution for year	$10,013,109	$9,288,551
Estimated maximum University contribution for year	$37,857,883	$29,525,553

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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 Retirement Plan For Faculty and Certain Employees 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 requirements 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*.

The funding policy currently adopted by the Plan sponsor is to contribute what is needed to comply with the requirements of the applicable legislation and accepted actuarial practice.

As at July 1, 2008, there is an unfunded liability of $22,955,459 requiring special payments, but no additional special payments are required for solvency purposes. As such, we recommend that University of Windsor make monthly contributions to the plan from July 1, 2008 to June 30, 2009, as follows:

Monthly University Contributions

For Minimum Guarantee current service cost: 4.96% of members' pensionable earnings

For Money Purchase contributions: 6% of members' pensionable earnings, subject to ITA limits

Minimum special payments for unfunded liability: $220,563

Minimum additional special payments for solvency: $0

On the basis of the members' estimated pensionable earnings, we have estimated the minimum total University contribution for July 1, 2008 to June 30, 2009 to be $10,013,109, or $834,426 per month.

The maximum contributions that University of Windsor may make to the plan for July 1, 2008 to July 1, 2009 is estimated to be $37,857,883 which is comprised of the employer's estimated current service cost plus the greater of the funding shortfall and the wind-up deficiency.

The plan is not fully funded on a wind-up basis. Even if the sponsor contributes in accordance with the funding requirements described in this valuation report, the assets of the plan may be less than the liabilities of the plan upon wind-up. The plan sponsor has elected to exclude the contractual indexing of pensions after retirement that may become payable in the event of wind-up in determining the minimum solvency deficiency payments. Emerging experience, including the growth of wind-up liabilities compared to the plan's assets (including future contributions and investment returns), will also affect the wind-up funded position of the plan

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous valuation report. Upon filing this report, University of Windsor must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following July 1, 2008. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.

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 on July 1, 2007. A summary of the plan provisions is provided in Appendix D.

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

- the assumed annual investment return was changed from 6.25% to 6.55%;
- the University current service cost was determined as the actuarial present value of projected benefits to be paid under the plan with respect to service during the year following the valuation date, the previous valuation University current service cost was determined as a level percentage of future covered earnings;

These changes have resulted in decreases of $11,672,000 in the actuarial liability and 1.75% of pensionable earnings in the University current service cost. The assumptions used for purposes of this valuation are described in detail in Appendix B.

The solvency assumptions have been updated to reflect market conditions as at July 1, 2008 and are consistent with the *Standard of Practice for Determining Pension Commuted Values* recommended by the *Canadian Institute of Actuaries* (the CIA) with effect from February 1, 2005. We have not included the value of the contractual indexing of pensions after retirement.

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 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

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

March 30, 2009
Date

March 30, 2009
Date

University of Windsor Retirement Plan for Faculty and Certain Employees
Registration number with the Financial Services Commission of Ontario and with the Canada Revenue Agency: 0366849

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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**
Total assets (market value):	$300,842,616	$316,148,501
Actuarial liability		
Present value of accrued benefits for:		
▪ Active members		
– money purchase accounts	$116,326,150	$120,224,277
– minimum guarantee benefits	$36,077,127	$31,847,649
▪ Pensioners and survivors		
– money purchase benefits	$124,067,879	$137,489,688
– minimum guarantee benefits	$33,682,433	$26,745,285
▪ Deferred pensioners		
– money purchase accounts	$11,096,986	$11,719,385
– minimum guarantee benefits	$114,507	$0
▪ Additional Voluntary Contribution Fund	$566,294	$567,213
▪ Special Transferred Contribution Fund	$791,276	$778,222
▪ Past Service Account	$1,075,423	$1,106,858
Total liability	$323,798,075	$330,478,577
Funding excess (shortfall) (A)	($22,955,459)	($14,330,076)
Present value of existing going-concern unfunded liability special payments (B)	$13,336,547	$12,119,836
Going-concern unfunded liability created at this valuation (maximum of 0 and A-B)	$9,618,912	$2,210,240

Reconciliation of Financial Position

The plan's financial position, an unfunded liability of $22,955,459 as at July 1, 2008, is reconciled with its previous position, an unfunded liability of $14,330,076 as at July 1, 2007, as follows:

Reconciliation of Financial Position ($000's)

Funding excess (shortfall) as at 01.07.2007	($14,330)
Interest on funding excess (shortfall) at 6.25% per year to 01.07.2008	($896)
Loss on interest earned below the valuation assumptions net of expenses	($4,046)
Special Payments to amortize the Unfunded Liability	$1,650
Loss due to changes in salaries and YMPE	($627)
Loss on the active members' minimum guarantee liabilities	($6,880)
Loss on the retired members' minimum guarantee liabilities	($9,678)
Gain of normal cost contributions higher than actual service costs	$419
Demographic changes	($123)
Impact of changes in economic assumptions	$11,672
Net impact of other elements of gains and losses	($116)
Funding excess (shortfall) as at 01.07.2008	($22,955)

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 not included the value of the contractual indexing of pensions after retirement that may be contingent upon the circumstances of the postulated plan wind-up. Had these benefits been included the liability would have been increased by $51,137,684.

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
1. Market value of assets	$300,842,616	$316,148,501
Termination expenses	($350,000)	($350,000)
2. Solvency assets	$300,492,616	$315,798,501
Solvency assets adjustment:		
Present value of unfunded liability special payments for the prescribed period	$11,665,357	$7,342,564
3. Adjusted solvency assets	$312,157,973	$323,141,065
Actuarial liability		
Present value of accrued benefits for:		
▪ Active members		
– money purchase accounts	$116,326,150	$120,224,277
– minimum guarantee benefits	$24,641,667	$22,570,332
▪ Pensioners and survivors		
– money purchase benefits	$124,067,879	$137,489,688
– minimum guarantee benefits	$51,892,291	$43,229,579
▪ Deferred pensioners		
– money purchase accounts	$11,096,986	$11,719,385
– minimum guarantee benefits	$526,180	$0
▪ Additional Voluntary Contribution Fund	$566,294	$567,213
▪ Special Transferred Contribution Fund	$791,276	$778,222
▪ Past Service Account	$1,075,423	$1,106,858
4. Solvency liabilities before the exclusion of benefits	$330,984,146	$337,685,554
5. Value of excluded benefits	($51,137,684)	($48,849,631)
6. Adjusted solvency liabilities	$279,846,462	$288,835,923
Solvency excess (deficiency) created as at valuation date (3. – 6.)	$32,311,511	$34,305,142
Transfer ratio (2. / 4.)	0.91	0.94
Ratio of solvency assets to solvency liabilities (2. / 6.)	1.07	1.09

Payment of Benefits

Since the transfer ratio is less than one, the plan administrator should ensure that the monthly special payments are sufficient to meet the requirements of the *Pension Benefits Act of Ontario* to allow for the full payment of benefits. Otherwise, the plan administrator should take the actions prescribed by the *Act*.

Financial Position on a Wind-Up Basis

The plan's hypothetical wind-up position as of July 1, 2008, assuming circumstances producing the maximum wind-up liabilities on the valuation date, is determined as follows:

Wind-Up Position

	01.07.2008
Market value of assets	$300,842,616
Termination expenses	($350,000)
Wind-up assets	$300,492,616
Present value of accrued benefits for:	
▪ Active members	
– money purchase accounts	$116,326,150
– minimum guarantee benefits	$24,641,667
▪ Pensioners and survivors	
– money purchase benefits	$124,067,879
– minimum guarantee benefits	$51,892,291
▪ Deferred pensioners	
– money purchase accounts	$11,096,986
– minimum guarantee benefits	$526,180
▪ Additional Voluntary Contribution Fund	$566,294
▪ Special Transferred Contribution Fund	$791,276
▪ Past Service Account	$1,075,423
Total wind-up liability	$330,984,146
Wind-up excess (deficiency)	($30,491,530)

Impact of Plan Wind Up

In our opinion, the value of the plan's assets would be less than its actuarial liabilities if the plan were to be wound up on the valuation date.

Specifically, actuarial liabilities on wind-up ($330,984,146) would exceed the market value of plan assets ($300,491,616) by $30,491,530. This calculation includes a provision for termination expenses that might be payable from the pension fund.

The financial position on a wind-up basis (a wind-up deficiency of $30,491,530) is different from the financial position on a solvency basis (a solvency excess of $32,311,511) due to the exclusion of the contractual indexing of pensions after retirement on a solvency basis.

Pension Benefit Guarantee Fund (PBGF) Assessment (Ontario)

The PBGF assessment is calculated as follows:

$1 for each Ontario member	$1,198.00
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%	$95.84
PBGF assessment (taking into account the limit per member)	$1,293.84

The PBGF assessment base and liabilities are derived as follows:

PBGF Assessment Base and PBGF Liabilities

PBGF liabilities	$279,846,462	(a)
Total solvency liabilities	$279,846,462	(b)
Ontario asset ratio	100%	(c) = (a) ÷ (b)
Market value of assets	$300,842,616	(d)
Ontario portion of the fund	$300,842,616	(e) = (c) x (d)
PBGF assessment base	$0	(f) = (a) - (e)

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Funding Requirements

Current Service Cost

The estimated value of the benefits that will accrue on behalf of the active members during July 1, 2008 to June 30, 2009, in comparison with the corresponding value determined in the previous valuation as at July 1, 2007, is summarised below:

University's Current Service Cost

	July 1, 2008 to June 30, 2009		**July 1, 2007 to June 30, 2008**	
	Estimated Amount	**% Covered Earnings**	**Estimated Amount**	**% Covered Earnings**
Money Purchase Component Account	$4,023,504	5.97%*	$3,735,300	5.96%*
Minimum Guaranteed Current Service Cost	$3,342,849	4.96%	$3,903,200	6.23%
University Current Service Cost	$7,366,353	10.93%	$7,638,500	12.19%

* after application of ITA limits

An analysis of the changes in the University's current service cost follows:

Changes in University's Current Service Cost

University's current service cost as at 01.07.2007	12.19%
Investment and demographic experience	0.49%
Change to unit credit current service cost method from aggregate current service cost method	(0.86%)
Changes in assumptions	(0.89%)
University's current service cost as at 01.07.2008	10.93%

Special Payments

Going-concern Basis

The present value, as at July 1, 2008, of the monthly special payments that were determined in the previous valuation, is as follows:

Present Value of Monthly Special Payments Determined as at 01.07.2007

Type of Deficit	Effective Date	Current Special Payment	Last Payment	Present Value of Remaining Payments as at 01.07.2008
Going Concern	July 1, 2004	$118,760	June 30, 2019	$11,254,600
Going Concern	July 1, 2007	$18,744	June 30, 2022	$2,081,947
Total		$137,504		$13,336,547

Due to the experience loss arising since the previous valuation, a going-concern unfunded liability of $9,618,912 was created as at July 1, 2008.

In accordance with the *Pension Benefits Act of Ontario*, the going-concern unfunded liability needs to be amortized over a period not exceeding 15 years. As such, special payments must be increased by $83,059 per month, until June 30, 2023 to amortize this going-concern unfunded liability.

Solvency Basis

Due to the experience gain since the previous valuation and the value of excluded benefits, solvency assets exceed solvency liabilities as at July 1, 2008. As such, no solvency special payments are required.

Total Special Payments

The following minimum monthly special payments must be made to the plan to eliminate the unfunded liability as at July 1, 2008, within the periods prescribed by the *Pension Benefits Act of Ontario.*

Minimum Monthly Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Going Concern	July 1, 2004	$118,760	June 30, 2019
Going Concern	July 1, 2007	$18,744	June 30, 2022
Going Concern	July 1, 2008	$83,059	June 30, 2023
Total		$220,563	

University Contributions

As at July 1, 2008, there is an unfunded liability of $22,955,459 requiring special payments, but no additional special payments are required for solvency purposes. As such, we recommend that University of Windsor make monthly contributions to the plan from July 1, 2008 to July 1, 2011, as follows:

Monthly University Contributions

For Minimum Guarantee current service cost: 4.96% of members' pensionable earnings

For Money Purchase contributions: 6% of members' pensionable earnings, subject to ITA limits

Minimum special payments for unfunded liability: $220,563

Minimum additional special payments for solvency: $0

On the basis of the members' estimated pensionable earnings, we have estimated the minimum total University contribution for July 1, 2008 to June 30, 2009 to be $10,013,109, or $834,426 per month.

Estimated Minimum University's Contributions Until July 1, 2011

Year Ending	Minimum Guarantee Current Service Cost	Money Purchase Contributions	Special Payments	Total University's Contribution
June 30, 2009	$3,342,849	$4,023,504	$2,646,756	$10,013,109
June 30, 2010	$3,509,991	$4,224,679	$2,646,756	$10,381,426
June 30, 2011	$3,685,491	$4,435,913	$2,646,756	$10,768,160

Contributions for current service must be made within 30 days following the month to which they apply. Special payments to eliminate an unfunded liability or solvency deficiency must be made in the month to which they apply.

The minimum contribution requirements based on this report exceed the minimum contribution requirements recommended in the previous valuation report. Upon filing this report, University of Windsor must contribute the excess, if any, of the minimum contribution recommended in this report over contributions actually made in respect of the period following July 1, 2008. This contribution, along with an allowance for interest, is due no later than 60 days following the date this report is filed.

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Actuarial Opinion

With respect to the Actuarial Valuation as at July 1, 2008
of the University of Windsor Retirement Plan For Faculty and Certain Employees
FSCO Registration 0366849
Canada Revenue Agency 0366849

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

- The rule for computing the University's money purchase current service cost is 6.00% of members' pensionable earnings subject to the ITA limits on money purchase contributions.

- The University's money purchase current service cost for the period from July 1, 2008 to June 30, 2009 is estimated to be $4,023,504.

- The University's minimum guarantee benefit current service cost for July 1, 2008 to June 30, 2009 and subsequent years, up to the next actuarial valuation should be calculated as 4.96% of members' pensionable earnings.

- The University's minimum guarantee benefit current service cost for the period from July 1, 2008 to June 30, 2009 is estimated to be $3,342,849.

- The plan would be fully funded on a going-concern basis if its assets were augmented by $22,955,459. In order to comply with the provisions of the *Pension Benefits Act of Ontario*, the unfunded liability must be liquidated by monthly special payments at least equal to the amounts indicated, and for the periods set forth, below:

Monthly Unfunded Liability Special Payments

Type of Deficit	Effective Date	Special Payment	Last Payment
Going Concern	July 1, 2004	$118,760	June 30, 2019
Going Concern	July 1, 2007	$18,744	June 30, 2022
Going Concern	July 1, 2008	$83,059	June 30, 2023
Total		$220,563	

- The plan has a solvency excess of $32,311,511 as at July 1, 2008. No special payments are required for solvency purposes.

- We have not included in the solvency liabilities the value of the contractual indexing of pensions after retirement. Had these benefits been included, the liability would have been increased by $51,137,684 and there would have been a solvency deficit of $18,826,173.

- The Pension Benefits Guarantee Fund annual assessment under Section 37 of the Regulations to the *Pension Benefits Act of Ontario* is $1 per Ontario Plan Beneficiary. The estimated PBGF assessment for July 1, 2008 to June 30, 2009 is $1,293.84 payable no later than March 31, 2009.

- The transfer ratio of the plan is .91. 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 in accordance with the investment policy 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, 2007 to July 1, 2008.

Reconciliation of Plan Assets

The pension fund transactions for the period from July 1, 2007 to July 1, 2008 are summarised as follows:

Reconciliation of Plan Assets (Market Value)

	2007/2008
July 1	$316,148,501
PLUS	
Members' contributions	$4,023,747
University contributions	$9,682,650
	$13,706,397
LESS	
Investment income	$7,539,943
Pensions paid	$15,815,057
Lump-sum refunds	$4,314,368
Administration and investment fees	$1,342,914
	$29,012,282
June 30	$300,842,616
Rate of return (net of expenses)	(2.84%)

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 July 1, 2008
	Minimum	**Target**	**Maximum**	
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%

Individual Accounts

Each year the investment income in addition to realised gains and losses is allocated to the various sub-funds. The balances in the sub-funds as at June 30, 2008 are as follows:

	Market Value
Money Purchase Component Account	$127,423,135
Additional Voluntary Contribution Account	566,294
Special Transfer Fund	791,276
Variable Annuity Fund	124,067,879
Past Service Account	1,075,423
Minimum Guarantee Fund	46,918,609
	$300,842,616

A detailed description of each fund follows:

Money Purchase Component Account

The Money Purchase Component Account consists of the Members' required contributions, matching amounts from the University, and interest based on fund experience, including realised and unrealised gains and losses, net of expenses. At retirement the accumulated amounts will be transferred to the Variable Annuity Fund and will provide a Money Purchase Pension.

The Money Purchase Component Account balance as at June 30, 2008 at Market Value is $127,423,135 ($116,326,150 in respect of active members and $11,096,986 in respect of deferred vested members).

Additional Voluntary Contribution Fund

This fund is composed of additional voluntary contributions. The Member may elect to contribute additional contributions up to the maximum allowable under the Income Tax Act, and all voluntary contributions will be accumulated with Credited Interest and used at retirement to provide such additional amount of pension as can be provided therewith based on actuarial tables in force for Plan purposes at that time.

The fund as at June 30, 2008 had assets at a market value of $566,294.

Special Transferred Contribution Fund

This fund includes lump sum transfers from other plans. These amounts will be accumulated with Credited Interest and used at retirement to provide such additional amounts of pension as can be provided therewith based on actuarial tables in force for Plan purposes at that time.

The fund as at June 30, 2008 had assets at a market value of $791,276.

Variable Annuity Fund

This fund provides variable annuities to members who retired on and after July 1, 1972. The accumulated Money Purchase Component Account of each member was transferred to this fund.

As at June 30, 2008 the balance in the Variable Annuity Fund is $124,067,879 at market value (includes retirements effective on July 1, 2008).

At the Plan year-end June 30, 2008, and including those who retired on July 1, 2008, there were 371 persons in receipt of pension benefits.

Past Service Account

This fund includes amounts that members have transferred into the Plan in respect to past service purchased. This fund as at June 30, 2008 had assets at a market value of $1,075,423.

Minimum Guarantee Fund

This fund has been created to support the minimum final earnings related guarantee based on length of service and linked to cost of living. If after retirement the pension in any one-year payable to a Member from the Variable Annuity Fund falls below the minimum guarantee applicable to that year, the difference will be paid from the Minimum Guarantee Fund.

In addition, this fund provides benefits to pensioners and terminated members with vested benefits, who retired or vested prior to July 1, 1972.

As at July 1, 2008, this fund has assets at market value of $46,918,609.

Appendix B

Actuarial Methods and Assumptions

Actuarial Valuations Methods — Going-Concern Basis

Valuation of Assets

For this valuation, we have continued to use the market value to determine the actuarial value of plan assets.

Valuation of Actuarial Minimum Guaranteed 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.

The minimum guarantee liability has been calculated by estimating the money purchase pension at retirement and each July 1st thereafter, for each member and by comparing it with the cost of providing the minimum guarantee under the terms of the Plan. The excess of the cost of the minimum guarantee over the money purchase pension has been discounted for mortality and interest to the date of valuation. This excess is prorated by service to determine accrued benefits and future benefits.

The amount of this excess allocated in respect of service to the valuation date is denoted as the actuarial liability for minimum guarantee benefits which is akin to a projected unit credit determination with respect to this excess.

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 *Pension Benefits Act of Ontario*. A funding excess may, from an actuarial standpoint, be applied immediately to reduce required University current service contributions unless precluded by the terms of the plan or by legislation.

The University 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. In the previous valuation, the University current service cost was determined as a level percentage of future covered earnings.

The University's current service cost has been expressed as a percentage of the members' pensionable earnings to provide an automatic adjustment in the event of fluctuations in membership and/or pensionable earnings.

The University matches employee Money Purchase Component contributions as well as making contributions to fund for the excess of the Minimum Guaranteed Benefit over the Money Purchase pension.

University's Contribution

Accordingly, the University's contributions for this purpose are determined as follows:

University's Contributions

With a funding excess	With an unfunded liability
Current service cost	Current service cost
MINUS	PLUS
Any funding excess applied to cover the University's current service cost	Payments to amortise any unfunded liability

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 except as noted. 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

We have assumed that the investment return on the actuarial value of the fund will average 6.55% per year over the long term. We have based this assumption on an expected long-term return on the pension fund less an allowance for investment and administrative expenses and less a margin for adverse deviations. The previous valuation assumed an investment return rate of 6.25%.

We have assumed a gross rate of return of 7.0% consistent with market conditions applicable on the valuation date, based on estimated returns for each major asset class and the target asset mix specified in the plan's investment policy. Additional returns of 0.2% are assumed to be achievable due to active management.

We have allowed for investment and administrative expenses of 0.4% per year, the average rate of such expenses in recent years.

We have included a margin for adverse deviations, from all sources, of 0.25% per year as the funding policy currently adopted by the Plan sponsor is to contribute what is needed to comply with the requirements of the applicable legislation and accepted actuarial practice.

Expenses

The assumed Investment Return reflects an implicit allowance for investment and administrative expenses of 0.40% 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, death or termination of employment, we have taken 2008/2009 and assumed that such pensionable earnings will increase at 5% per year.

This is based on:

- an assumed inflation rate of 2.7% per year,
- an assumed productivity component of 1.0% per year, and
- an assumed merit and promotional increases component of 1.3% 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 2009 level of $46,300.

Increases in the Maximum Pension Permitted under the Income Tax Act

At the time of this valuation the *Income Tax Act* stipulated that the maximum pension that can be provided under a registered pension plan will be increased to specified amounts in 2008 and 2009, and automatically, 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 will increase as specified in the *Income Tax Act* in 2008 and 2009, and will increase starting in 2010 at the rate of 3.5% per year.

Consumer Price Index

It has been assumed that the Consumer Price Index will increase by 2.7% per annum.

Cost-of-Living Adjustment - Defined Benefit

The cost-of-living adjustment is assumed to be in accordance with the increase in the Consumer Price Index and the plan provisions. Since the assumption for Consumer Price Index increase is 2.7% per annum, the cost-of-living adjustment for defined benefit pensions is assumed to be 2.0% per annum.

Cost-of-Living Adjustment - Money Purchase

The cost-of-living adjustment is the excess fund rate of return over 6%. Since interest is assumed to be 6.55%, the resulting cost-of-living adjustment assumption for money purchase pensions is 0.55% per annum. The previous valuation assumed the money purchase cost-of-living adjustment would be 0.25%.

Demographic Assumptions

Retirement Age

Normal retirement for faculty Members is on the 30th of June following attainment of age 65.

Because early retirement pensions are actuarially reduced, the retirement age of plan members has little impact on the cost of the plan. We have assumed that all members will retire on their normal retirement date, which is their 65^{th} birthday.

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 Group Annuity Mortality Table for 1994 with projected mortality improvements using mortality projection scale AA (“UP-94 Generational Table”).

Effective July 1, 2004, the University’s administrative practice is to determine Money Purchase pensions using the UP-94 Generational Table. For this valuation, to determine the projected Money Purchase pensions and Minimum Guarantee pensions for active and deferred vested members, we have assumed that the University continues to use the UP-94 Generational Table indefinitely.

Prior to July 1, 2004, Money Purchase pensions were determined using the Group Annuity Mortality (GAM) Table for 1983. For this valuation, Money Purchase pensions in payment to pensioners were adjusted (decreased) to an amount that would have been payable if the Money Purchase pensions were re-determined using the UP-94 Generational Table.

Termination of Employment

We have not made an allowance for projected benefits payable on the termination of employment before retirement for reasons other than death.

Disability

We have not made an allowance for projected benefits payable on disability retirement.

Family Composition

When benefits depend on the plan member's marital status, we have assumed that 80% of plan members will have an eligible spouse, and that the male partner will be three years older than the female partner.

Actuarial Valuation Methods and Assumptions — Solvency and Impact of Plan Wind-Up

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, we have valued those benefits that would have been paid had the plan been wound up on the valuation date, including benefits that would be immediately payable if the pension plan were 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 whose age plus years of service equal less than 55 years of age at July 1, 2008 would be entitled to a deferred pension payable from age 65. 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 age 55 (or the age that would produce the greatest Minimum Guarantee liability), reduced in accordance with the plan rules.

Benefits are assumed to be settled through a lump sum transfer for members under 55 years of age. The value of the benefits accrued on July 1, 2008 for such members is based on the assumptions described in the Canadian Institute of Actuaries Standard of Practice for Determining Pension Commuted Values applicable for July 1, 2008 for benefits expected to be settled through transfer in accordance with relevant portability requirements. Benefits are assumed to be settled through the purchase of annuities for active members aged 55 and over. The value of the benefits accrued on July 1, 2008, for such members is based on an estimate of the cost of settlement through purchase of annuities.

The present value of accrued benefits on wind-up for active and disabled members and deferred pensioners with respect to the Money Purchase Component is equal to the market value of the Money Purchase Accounts as at July 1, 2008. The present value of accrued benefits on wind-up for active and disabled members and deferred pensioners with respect to the Minimum Guarantee Component is equal to the excess, if any, of the actuarial present value of the accrued minimum guarantee pension (based on earnings and service at July 1, 2008 for active members) over the Money Purchase Account balance. The present value of accrued benefits on wind-up for pensioners and survivors is equal to the actuarial present value of the pension currently in payment. The value of future pension increases provided under the Plan, consistent with the solvency assumptions used, is also included in the value of benefits assumed to be paid on wind-up.

It may not be possible to settle the liabilities at a reasonable cost through the purchase of annuities due to the limited size of the annuity market and the current lack of a competitive market in Canada for variable annuities similar in nature to the pensions being provided under the plan.

We note, therefore, that the above basis is theoretical and does not necessary represent the cost at which similar type annuities can be purchased in today's market. Due to the lack of a competitive market, it is quite likely that if an insurance company were to take on these obligations, that they would demand a higher price.

Assumptions are as follows:

Actuarial Assumptions

Mortality rates:	UP1994 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 members who are not eligible for immediate retirement benefits as of July 1, 2008
Interest rates for benefits to be settled through annuity purchase:	5.20% per year for all years following July 1, 2008, assumed applicable to all members eligible for immediate retirement benefits as of July 1, 2008
Cost-of-Living Adjustment – Defined Benefit	2.00% per year*
Cost-of-Living Adjustment – Money Purchase	(2.0%) per year for the first 10 years following July 1, 2008, (1.0%) per year thereafter for lump sum transfers, and (0.8%) per year for annuity purchases*
Final average earnings:	Calculated using the final pensionable earnings and the assumed rate of increase in earnings of 4% per year
Family composition:	Same as for going-concern valuation
Maximum pension limit:	Same as for going-concern valuation
Termination expenses:	$350,000**

* Excluded from solvency liabilities.

** 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 average earnings, YMPE and the maximum defined benefit pension limit under the Income Tax Act on the valuation date; therefore no salary, YMPE or maximum defined benefit pension limit 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.

The provision for termination expenses payable from the plan's assets is in respect of actuarial, administration and legal expenses that would be incurred in terminating the plan. Also included in the provision are transaction fees related to the liquidation of the plan's assets and any reduction in the value of the plan's equity assets resulting from their liquidation.

Because the settlement of benefits on wind-up is assumed to occur on the valuation date, the provision for termination expenses does not include custodial, investment management, auditing and consulting expenses that would be incurred between the wind-up date and the settlement date.

In determining the provision for termination expenses payable from the plan's assets, we have assumed that the plan sponsor would be solvent on the wind-up date.

As permitted by legislation, certain benefits that may be payable if the plan were wound-up have been excluded in the determination of solvency liabilities. Specifically, the value of the contractual indexing of pensions after retirement has been excluded from the solvency liabilities as at July 1, 2008. There is no provision in the minimum funding requirements to fund the benefits which have been excluded in determining the solvency liabilities. Therefore, in the event that the plan is wound up and the benefits that are being excluded from the solvency liabilities become payable, the plan is not expected to have sufficient funds to provide these benefits.

The value of these contractual indexing of pensions after retirement is $51,137,684 as at July 1, 2008 based on the solvency assumptions shown in this report.

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, gender, etc.), pensionable earnings, credited service, contributions accumulated with interest and pensions to retirees and other members entitled to a deferred pension. Contributions, 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	654	624
▪ Total annualized pensionable earnings *	$68,966,414	$63,666,450
▪ Average annualized pensionable earnings for following year	$105,453	$102,030
▪ Average years of pensionable service	10.2 years	10.3 years
▪ Average age	49.1	48.9
▪ Accumulated Money Purchase Component Account Balance	$114,254,148	$117,898,326
Disabled Members		
▪ Number	6	5
▪ Total pensionable earnings *	$710,342	$505,768
▪ Average pensionable earnings for following year	$118,390	$101,154
▪ Average years of pensionable service	17.7 years	24.3 years
▪ Average age	56.1	58.8
▪ Accumulated Money Purchase Component Account Balance	$2,072,002	$2,325,951
Deferred Pensioners		
▪ Number	167	163
▪ Average age	51.2	50.3
▪ Accumulated Money Purchase Component Account Balance	$11,096,986	$11,719,386
Pensioners and Survivors		
▪ Number	371	375
▪ Average Monthly Money Purchase Pension	$3,010	$3,283
▪ Average Monthly Minimum Guaranteed Benefit	$3,274	$3,160
▪ Average Monthly Temporary Pension	$513 (5 pensioners)	$446 (10 pensioners)
▪ Average age	74.1	73.7

* For the year following the valuation date

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

Reconciliation of Membership

	Actives	LTD	Deferred Vested	Pensioners and Beneficiaries	Total
Total at 01.07.2007	624	5	163	375	1,167
New entrants	71				71
Rehires	1		(1)		
Terminations:					
▪ transfers/refunds	(10)				(10)
▪ deferred pensions	(22)	(1)	23		
LTD	(3)	3			
Deaths				(15)	(15)
Retirements	(7)	(1)		8	
Beneficiaries				4	4
Data Correction			(18)	(1)	(19)
Total at 01.07.2008	654	6	167	371	1,198

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 01.07.2008

	Years of Pensionable Service							
Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30+**	**Total**
25 - 29	5							5
	$70,127							$70,127
30 - 34	39	4						43
	$76,425	$87,849						$77,488
35 - 39	59	23						82
	$79,820	$94,638						$83,977
40 - 44	42	57	9	3				111
	$82,003	$99,627	$95,256	*				*
45 - 49	40	47	18	12	1			118
	$85,077	$104,268	$104,031	$116,990	*			*
50 - 54	30	14	14	18	9			85
	$81,024	$112,587	$113,915	$120,070	$139,151			$106,063
55 - 59	23	21	10	11	18	8	5	96
	$111,175	$110,655	$111,674	$114,662	$130,626	$149,105	$143,360	$119,997
60 - 64	6	12	12	5	17	10	33	95
	$88,131	$134,628	$131,818	$129,468	$146,145	$145,419	$141,626	$136,693
65 +	1	2	1		2	2	11	19
	*	*	*		*	*	$147,281	$151,407
Total	245	180	64	49	47	20	49	654
	*	*	*	*	*	*	$135,946	$105,453

* Suppressed for confidentiality

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

Distribution of Pensioners and Survivors By Age Group as at 01.07.2008

Age	Number	Average Monthly Minimum Guaranteed Benefit	Average Monthly Money Purchase Pension
Less than 60	5	$1,554	$1,453
60 – 64	12	3,029	2,788
65 – 69	84	3,657	3,582
70 – 74	119	3,552	3,455
75 – 79	78	3,467	2,938
80 – 84	47	2,614	2,066
85 +	26	1,825	1,454
Total	**371**	**$3,274**	**$3,010**

Appendix D

Summary of Plan Provisions

Plan History

The University of Windsor Employees' Retirement Plan was established on September 1, 1955. As of January 1, 1970, the Employees' Retirement Plan was amended to provide benefits to Faculty and Certain Employees under the provisions of the University of Windsor Retirement Plan for Faculty and Certain Employees which was established as of that date.

The Retirement Plan for Faculty and Certain Employees was amended effective July 1, 1985 to provide an increase in the Minimum Guaranteed Benefit level.

This Plan was again amended and restated as at January 1, 1988 to incorporate the new provisions of the Pension Benefits Act of Ontario, 1987, as well as amended effective May 1, 1989 to provide additional early retirement benefits.

The Plan was further amended effective July 1, 1990 to provide for the temporary non-reduction of Money Purchase Pensions and to introduce a new indexing formula to be applied to Minimum Guaranteed Benefits. The non-reduction of Money Purchase Pension was to be applied until July 1, 1995.

The Plan was amended and restated with effect from January 1, 1995 to incorporate the new provisions required by the Income Tax Act.

The Plan was amended effective July 1, 1993 to incorporate the following negotiated benefit improvements by the Faculty Association:

- increased Minimum Guaranteed Benefit formula (to 1.30/2.00% level)
- change Best Average Earnings from 5 year average to 4 year average

- change in the Canada Customs and Revenue Agency maximum pension test
- change in the post retirement indexation formula for the Minimum Guaranteed Benefit
- extension of the Voluntary Early Retirement (VER) program to August 31, 1996
- an ad hoc CPI related increase to the Minimum Guaranteed Benefit as at July 1, 1993, capped at 5%

The Plan was amended effective September 1, 1996 to incorporate the following negotiated improvements by the Faculty Association:

- increase Minimum Guaranteed Benefit formula (to 1.35%/2.00% level)
- change Best Average Earnings to allow non-consecutive years
- allow a past service buyback for certain members
- allow a temporary suspension of contributions by both Members and the University
- extension of the Voluntary Early Retirement (VER) program to August 31, 1998

The Plan was amended effective September 1, 1998 to improve benefits as follows:

- increase Minimum Guaranteed Benefit formula to (1.45/2% level),
- increase the Minimum Guaranteed Benefit pension for those retired members as at July 1, 2001 to the level they would have received had they been given full CPI increases since pension commencement,
- allow a temporary suspension of contributions by both Members and the University,
- extension of the Voluntary Early Retirement (VER) program to August 31, 2001.

The Plan was amended effective July 1, 2001 to improve benefits as follows:

- increase Minimum Guaranteed Benefit formula to (1.5/2% level),
- increase the contributions by both Members and the University to a flat 6% of pensionable earnings,
- further extend the contribution holidays for both members and the University.

Eligibility for Membership

(a) Full-time Employees

Permanent full-time members of the faculty and certain administrative staff who cannot be included in the bargaining unit and other designated employees are eligible to participate. Each new employee who is eligible, and joins the University on or after July 1, 1971 will be required to join the Plan on the January 1st or July 1st coincident with or following their date of appointment or attainment of age 25, whichever is later.

(b) Part-time Employees

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 the employee has either earned at least 35% of the Year's Maximum Pensionable Earnings, or worked at least 700 hours in each of the 2 immediately preceding consecutive calendar years.

Contributions

Members are required to contribute to the Money Purchase Component Account an amount equal to 6% of their Pensionable Earnings. The University is required to contribute a matching amount equal to 6% of Member Pensionable Earnings.

On retirement, the Money Purchase Component Account for a disabled Member will include contributions deemed to be made by the Member, plus matching University contributions deemed to be made on behalf of the Member during the period of disability.

Contributions Suspension

Effective September 1, 1998, contributions by Members and the University to the Money Purchase Component were temporarily suspended until such time as the total amount of the suspended contributions reached $14,720,000.

Also effective September 1, 1998, the University's contributions to the Minimum Guarantee component of the plan were temporarily being suspended until such time as the total amount of the suspended University contributions reached $2,230,000.

As part of the negotiated benefit improvements effective July 1, 2001, the contribution holidays were extended for both the University and the Members. The amount of additional contribution holiday was equal to the amount of funding excess as at July 1, 2001 in excess of $2,600,000. This additional contribution holiday of $3,484,992 was attributed one-third to the members and two-thirds to the University. The members were on a half contribution holiday once the contribution holiday established September 1, 1998 expired (February 16, 2005). During that time the members contributed half of the required contributions (i.e. 3% of pensionable earnings).

During the contribution holiday, money was transferred from the funding excess to each Member's "Money Purchase Component Account" equal to the contributions the Member would have otherwise been required to make, plus the matching amount of contributions the University would have made on behalf of the Member.

Retirement Dates

Normal retirement for faculty Members is on the 30th of June following attainment of age 65.

Normal retirement for non-faculty Members is the first day of the month immediately following attainment of age 65.

Early retirement is permitted during the 10-year period immediately preceding the Normal Retirement Date.

A Member may postpone retirement on a year-to-year basis, but in no event for more than two years. The Member may continue to make contributions and benefits under the Plan will continue to accrue until such postponed retirement date assuming contributions are made.

Should a Member suffer disability, established by medical evidence satisfactory to the University as being of a nature calculated to render the Member unfit for any occupation for remuneration or profit which the University has to offer, the Member may retire or be retired at any time prior to their Normal Retirement Date, provided the Member has then completed at least 15 years of Continuous Service and has attained age 50, and is not then nor likely to become eligible to receive salary continuance benefits under any insured plan to which the University contributes.

Retirement Benefits

(a) Money Purchase Pension

Each Member who retires from active service with the University at their Normal Retirement Date will receive a pension, commencing on such date and payable for life in monthly instalments but guaranteed in any event for 60 months, in such amount as can be provided from the total balance in the Money Purchase Component Account to the Member's credit, based on the actuarial tables in force for Plan purposes at that time. Such basic pension will be in the form of a variable benefit which will remain constant during each Plan Year but may vary from year to year depending upon the experience of that portion of the Pension Fund relating to retired Members during the preceding Plan Year, as determined by the Actuary.

(b) Supplementary Pension

In addition, each Member who retires from active service with the University at their Normal Retirement Date will receive such amount of Supplementary Pension, payable for life but guaranteed in any event for 60 months, from the Minimum Guarantee Fund as may be required to provide a total pension during each Plan Year equal to the Minimum Guaranteed Benefit for that year.

The amount of the Minimum Guaranteed Benefit payable at the Normal Retirement Date will be calculated as follows:

(a) 1.50% of the Member's Best Average Earnings not in excess of the Average Canada Pension Plan Base, plus

(b) 2.00% of the Member's Best Average Earnings in excess of the Average Canada Pension Plan Base;

multiplied by the Member's Pensionable Service.

The Minimum Guaranteed Benefit is indexed according to the following formula:

% CPI Increase	% Increases In Minimum Guaranteed Pension
0% to 2%	100% of CPI increase
2% to 4%	2%
4% to 8%	50% of CPI increase
greater than 8%	4%

Maximum Minimum Guaranteed Benefit

The Minimum Guaranteed Benefit shall not exceed the years of the Member's Pensionable Service multiplied by the lesser of:

(a) $2,333.33 for 2008 and $2,444.44 for 2009 or such greater benefit as may be permitted under the Income Tax Act; and

(b) 2% of the average of the Member's best three consecutive years' remuneration from the University,

reduced, if the pension commencement date precedes the earlier of the day on which:

(a) the Member attains age 60;

(b) the Member's age plus Continuous Service is equal to 80; and

(c) the Member completes 30 years of Continuous Service,

by 1/4 of 1% for each month by which the pension commencement date precedes that day, provided that no reduction shall apply in the case of a pension payable as a result of a Total and Permanent Disability.

For Service prior to January 1, 1995, Service is capped at 35 years when determining the maximum supplementary pension. Also for service prior to January 1, 1995, the value of the pension benefit provided upon early retirement cannot exceed the above maximum pension payable to age 60 in the form of a single life annuity guaranteed for 10 years.

The Canada Customs and Revenue Agency maximum pension test is to be applied to the form of pension selected, rather than the normal form of pension.

Early Retirement

Upon early retirement, the Money Purchase Pension and Minimum Guaranteed Benefits are calculated as the actuarial equivalent of the pensions payable at Normal Retirement.

Termination Benefits

A Member who terminates employment before the completion of 2 years of Plan membership may elect to receive, in lieu of the deferred pension, a lump sum refund of the greater of his/her Money Purchase Component Account balance or the Commuted Value of his/her deferred pension.

A Member who terminates employment after the completion of 2 years of Plan membership is entitled to a locked-in deferred pension. Such terminating Member may elect to transfer the greater of:

(i) his/her Money Purchase Component Account balance; and

(ii) the Commuted Value of his/her deferred pension,

to another registered pension plan or a locked-in registered retirement savings plan.

A Member who terminates employment is entitled to either leave the balance of his/her additional voluntary contributions, if any, under the Plan to provide an additional pension or receive a lump sum refund of his/her additional voluntary contributions with Credited Interest.

Death Benefits

In the event of death of a member while in the employment of the University, there will be payable to his/her named beneficiary or, if none, to his/her estate, a lump sum payment equal to the sum of the following:

(a) the balance of his/her Money Purchase Component Account at January 1, 1987 with Credited Interest to the date of death;

(b) the greater of:

  (i) employee and University contributions made on and after January 1, 1987 with Credited Interest to the date of death; and

  (ii) the Commuted Value of the deferred pension accrued after December 31, 1986;

(c) the total of his/her additional voluntary and special lump sum contributions including those amounts transferred under special agreement with a former University with Credited Interest to date of death.

After retirement, the pension is normally guaranteed for five years, but optional forms may be elected.

Disability Accrual

During any period of Total Disability, the Member shall continue to accrue benefits as though he were still actively employed. Also, the Member shall be deemed to have received Earnings during the disability period based on his/her level of Earnings prior to disability. The Year's Maximum Pensionable Earnings shall remain constant during the disability period at the level in effect in the year of disability.

For the purpose of determining all benefits under the Plan, except death benefits, the Member's Money Purchase Component Account shall include all deemed contributions the Member would have been required to make had he not been disabled, using the Member's Earnings and the Year's Maximum Pensionable Earnings in effect in the month prior to disability, along with the matching amount of deemed contributions the University would have made on behalf of the Member.

Appendix E

University Certification

With respect to the report on the actuarial valuation of the *University of Windsor Retirement Plan For Faculty and Certain Employees*, 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 30, 2009
Date

Signed

Stephen Willetts, VP Administration and Finance

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