

The Power Corporation Superannuation Plan PENSION UPDATE

Spring 2019

Superannuates

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The Power Corporation Superannuation Board

Grant Ring, Chair

Rachelle Verret Morphy

Kerry Friesen

Robert Haynes

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Power Corporation Superannuation Board Mission Statement

To provide continuous pension benefits for Plan members through prudent stewardship of assets and liabilities, as well as effective plan administration in accordance with current legislation.

SUPERANNUATES

Pension Indexing

The cost of living increase effective April 1, 2019 is 1.62%, representing 70% of the change in the average 2018 Consumer Price Index for Saskatchewan. The Public Employees Benefits Agency (PEBA) will include the increase in your April 2019 pension payment.

The full rate of increase will be applied for those in receipt of a pension before April 1, 2018. The increase will be pro-rated for those who retired after April 1, 2018.

Recipient Confirmation Letters

Early Fall, PEBA will be initiating a Recipient Confirmation campaign. The purpose of this campaign is to ensure that the person entitled to the pension payment is the person receiving the payment.

Letters will be sent to all superannuates and survivors asking them to confirm they are receiving their pension payments. These letters must be signed by the pensioner or their legal representative and returned in the provided envelope. Only letters with original signatures will be accepted as confirmation.

If no response is received by the date specified in the letter, the pension of the non-responder will be suspended until confirmation is received by PEBA. **Please contact PEBA Pensioner Services at 306-787-3988 with any questions/concerns.**

Power Corporation Superannuation Plan (PCSP) 2018 Annual Report

The PCSP annual report is now available on the SaskPower website, www.saskpower.com. Select 'About Us' at the top, next select 'Current Reports' in the left column and then select 'Superannuation Plan Annual Report'.

Members can request a copy of the PCSP 2018 Annual Report by contacting Tanya Romanow.

By email: tromanow@saskpower.com

By phone: 306-566-2177

SUPERANNUATES (continued)

2018 Financial Highlights

The following information is a summary of the Plan's financial position. For more details, refer to the Power Corporation Superannuation Plan 2018 Annual Report.

Actuarial funding valuation deficit (in millions, at December 31)	2018 estimated	2017	2016 estimated	2015 estimated	2014
Actuarial value of assets	\$ 715	\$ 738	\$ 738	\$ 739	\$ 745
Liabilities	706	730	750	764	783
Surplus (deficit)	\$ 9	\$ 8	\$ (12)	\$ (25)	\$ (38)
Funded status	101%	101%	98%	97%	95%
Actuarial accounting valuation deficit (in millions, at December 31)	2018	2017	2016	2015	2014
Net assets available for benefits	\$ 691	\$ 759	\$ 746	\$ 771	\$ 800
Pension obligations	843	922	937	950	980
Deficit	\$ (152)	\$ (163)	\$ (191)	\$ (179)	\$ (180)
Four year rolling average return (annualized)	5.5%	7.7%	8.6%	10.2%	9.2%
Benchmark	5.5%	8.6%	9.2%	10.3%	9.9%

The investment objective of the Plan is to meet current and future pension payment obligations. The assets of the Plan are invested in a diversified portfolio that should generate adequate and consistent returns to meet both current and future financial obligations. The funds are placed with a number of investment managers who then invest in a variety of asset classes. This diversification helps secure the Plan's ability to provide a steady stream of retirement income for approximately 1,700 active and retired members.

The Plan's estimated funded status at December 31, 2018 is 101% (consistent with 2017). The funding valuation is used to determine whether SaskPower needs to make any contributions into the Plan whereas the accounting valuation is included in the Plan's financial statements in accordance with accounting standards.

While the Plan's investment objective is to meet obligations, the risk of not meeting this objective rests with SaskPower rather than members. Regardless of the return on Plan assets, legislation specifies that if assets are not sufficient to provide pension benefits, the payments will be made from SaskPower revenues.

Change of Address, Bank Accounts or Financial Institutions

Contact PEBA Pensioner Services if you have a change of address or need to make banking changes.

By email: pensioner.services@peba.gov.sk.ca
By phone: 306-787-3988

Reporting the Death of a Superannuate/Spouse

To report the death of a superannuate/spouse, contact PEBA Pensioner Services as follows:

By email: pensioner.services@peba.gov.sk.ca
By phone: 306-787-3988

Lost or Misplaced T4A Information Slips

If you require a replacement T4A, you can request a copy by contacting PEBA Pensioner Services as follows:

By email: pensioner.services@peba.gov.sk.ca
By phone: 306-787-3988

SUPERANNUATES (continued)

Updating your Beneficiary(ies)

It is important to keep your beneficiary(ies) current so the paid-up Life Insurance Policy and/or Group Term Life Insurance to age 65 or 75, if applicable, are distributed according to your wishes. To update your beneficiary(ies), please contact PEBA Benefits as follow:

By email: benefits@peba.gov.sk.ca
By phone: 306-787-3440

Pension Conversion – New Spouse after Retirement

If you have a new spouse after retirement, you can apply to have the survivor benefits paid to your new spouse following your death; subject to certain criteria. Such as, you (the superannuate) cannot have a medical condition that is likely to considerably shorten your lifespan expectancy. SaskPower's Physician will assess your medical evidence form. Please note that if you proceed with this option, your current pension would generally be reduced; however, your new spouse would only be eligible for a survivor benefit following your death if you proceed with the conversion. Your decision is irrevocable.

This option is not available to individuals receiving a pension as the widow or widower of a plan member.

Estimates of the converted pension amounts can be requested by contacting **PEBA Pensioner Services at 306-787-3988**. A fee applies to obtain the results.

ACTIVE MEMBERS

Retiring soon?

Take a day to plan for your life in retirement. PEBA provides free Retire*WithEase* workshops throughout the province to help employees (and their spouses) make a retirement plan. The workshops are facilitated by PEBA Certified Financial Planners™ who present retirement information in everyday language. Workshops are interactive allowing employees to ask questions while they learn about tools and information available to them. Prior to registering for one of these workshops, employees must arrange with their supervisor for the time off and will have to use either a vacation day, BDO, etc. to attend. Costs of accommodation, transportation or meals are at the employee's expense. To register, use the following path:

- go to www.peba.gov.sk.ca
- on the Home page, click on the PEBA hosted retirement planning workshops link
- click the Register button and choose a workshop
- click Register for this Event and sign in as a PEBA Defined Benefit Plan member

PEBA requests that you obtain a *pension estimate* 6 months prior to your planned retirement date. This will provide you with time to review the estimate to confirm that all data is correct, review your finances, seek the assistance of a financial advisor, and submit your completed pension application form with required documentation. PEBA completes the pension estimates in approximately three weeks. In addition, PEBA provides a *pension application* form, the Revenue Canada TD1 personal tax credit returns, and a calculation of your highest average salary.

SaskPower and SaskEnergy employees meet with Human Resources to complete the pension application and all other documentation required at retirement after the notice has been submitted. Human Resources will also notarize the required certificates. You may wish to discuss completing the personal tax credit returns with your financial advisor and/or tax advisor. A pension application is required to start your pension. PEBA has advised that completed applications for pension should be submitted approximately one month prior to retirement. This would avoid a delay in payment of your pension should additional documentation or information be required.

ACTIVE MEMBERS (continued)

Pension Estimates

Request pension estimates from PEBA to forecast your retirement income based on an estimated retirement date. You can choose up to three different retirement dates that are at least four months apart.

To request services/pension estimates from PEBA, SaskPower members must access the PCSP Service Request database via the EIN. SaskEnergy members continue to request an estimate through their Human Resources department.

Please contact **Service Canada at 1-800-277-9914** to obtain an estimate of your CPP benefit.

ANSWERS TO YOUR QUESTIONS

Public Employees Benefits Agency (PEBA)

- **website** www.peba.gov.sk.ca
- **phone** **active:** 306-787-3273
retired: 306-787-3988
- **fax** 306-787-0244
- **email** **active:** pssp@peba.gov.sk.ca
retired: pensioner.services@peba.gov.sk.ca
- **mail** **active:** PEBA Old Plans
retired: PEBA Pensioner Services
1000 – 1801 Hamilton ST
Regina SK S4P 4W3

If you have any questions about the information presented in this newsletter or would like more information about your retirement benefits in general, please contact:

Tanya Romanow

SaskPower Total Rewards

- **email** tromanow@saskpower.com
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This publication provides general, but not exhaustive, information about your pension according to current Plan provisions. It does not replace nor supersede the legislation or rules of law governing the Power Corporation Superannuation Plan and as such cannot be construed as a warranty or guarantee of its contents.

Plan members are strongly encouraged to seek independent professional advice before making decisions on any matters discussed in this publication.