



Learn more about the plan: [college.pensionsbc.ca](http://college.pensionsbc.ca)

## Your pension plan: Fully funded

### MESSAGE FROM THE TRUSTEES

The results of the College Pension Plan's latest actuarial valuation are in: the plan is healthy.

The valuation, measured as at August 31, 2021, shows the plan's basic account has actuarial assets of about \$6.4 billion and actuarial liabilities of about \$6.2 billion. (Note that *actuarial assets* are different from *net assets* as described at the bottom of this page and on page 2.) This means the basic account has a \$200 million surplus. The basic account is the account from which member pensions are paid.

The valuation also shows that the plan's inflation adjustment account (IAA) is sustainable, despite the high inflation we have experienced over the last year. The IAA is the account from which non-guaranteed cost-of-living adjustments for retired members are paid.

As part of the normal valuation process, we will reassess the financial position of both the basic account and the IAA on August 31, 2024.

### What is the plan doing with the surplus?

We use the Joint Trust Agreement (JTA), the plan's governance framework, to guide our decision on using the surplus. The JTA was established by the plan partners: BC General Employees' Union, Federation of Post-Secondary

Educators of BC, Post-Secondary Employers' Association and the Province of BC.

The JTA directs us to move half the surplus to the plan's rate stabilization account. Funds in that account can be used to offset future contribution rate increases due to unfavourable economic conditions.

The other half of the surplus will be moved to the IAA to further strengthen its financial position.

*The plan's basic account has a \$200 million surplus.*

### What is a valuation?

A valuation is the most important measurement of plan health. Using a series of economic and demographic assumptions, the valuation determines how much money the plan needs to pay current and future pensions.

An independent actuary—a professional with specialized training in financial modelling, probability theory and risk management—performs a valuation at least every three years.

For more information, please read the valuation report, available in the *News* section of the plan website, under *About us*.

### Year at a glance (\$ millions)

$$6,696 + (112) + 310 - 259 - 27 = 6,608$$

Net assets August 31, 2021	+	Investment income	+	Contributions	-	Pension payments	-	Investment and administration	=	Net assets August 31, 2022
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THE FOLLOWING ARE RECENT PLAN RULE AND LEGISLATIVE UPDATES THAT AFFECT THE PLAN RULES, PLAN MEMBERS OR PLAN EMPLOYERS.

### Employment Standards Act changes

Effective January 1, 2022, illness or injury leave under BC's *Employment Standards Act* (ESA) was expanded to provide employees covered by the ESA with up to five days of paid leave per year for personal injury or illness. This is in addition to the current three days of unpaid leave allowed per year.

In 2021, the ESA was amended to allow leaves for COVID-19 vaccinations (for you or to assist a dependant) and COVID-19-related leaves (which includes leaves for COVID-19 sickness).

The plan rules did not require updating due to these ESA changes.

### Our newest employer

On July 1, 2021, the plan welcomed Simon Fraser University as its newest employer (see more in last year's *Report to Members*, on the plan website). The plan rules, including cross-references and definitions, were amended to accommodate SFU's joining the plan.

### New rules for periods of reduced pay

In response to the pandemic, federal Income Tax Regulations were temporarily amended for 2020 and 2021. The updates allow plan members who have worked for their employer for less than 36 months to buy service for periods of reduced pay. Though no plan rule amendment was required, the plan is administering its rules for buying service in line with the regulations update.

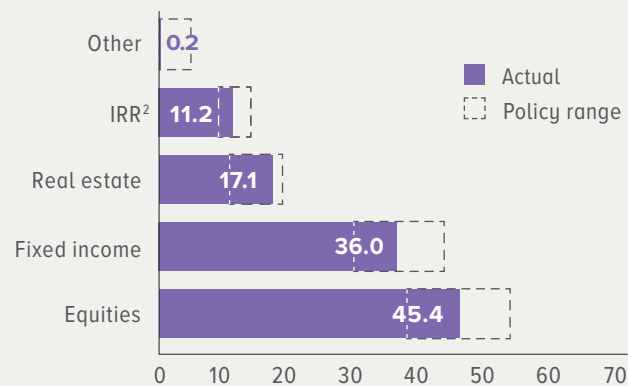
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[myaccount.pensionsbc.ca](http://myaccount.pensionsbc.ca)  
**my account**  
Mark Heardt, Dawson Creek

### PLAN PERFORMANCE

These highlights are unaudited. The *2022 Annual Report* with audited financial statements will be posted to the plan website in spring 2023.

#### Asset allocation<sup>1</sup> (%)

as at August 31, 2022



1 Totals exceed 100 per cent due to borrowed capital.  
2 Infrastructure and renewable resources.

#### Annualized rate of return (%)

5-year

**7.6**

10-year

**8.7**

Exceeds the long-term investment return goal of **6.0%**

#### Net assets available for benefits

(\$ billions)

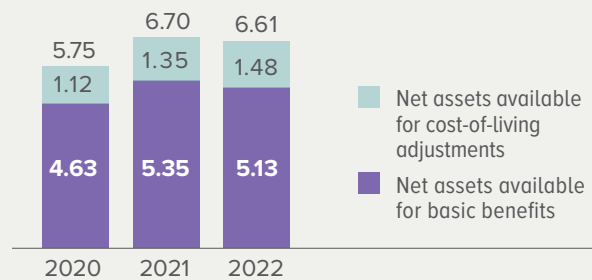


Photo: **Andrea Torres**, College plan member

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