



telecommunication workers pension plan

2024 REPORT TO MEMBERS

THE PENSION PLAN

The Telecommunication Workers Pension Plan (TWPP) is a type of Defined Benefit Plan, which is administered, in most (if not all) respects, like a negotiated contribution plan. The TWPP is a career average earnings plan that specifies the formula for determination of benefit entitlements and therefore provides members with a “defined” amount of pension. The defined amount of pension provided by the TWPP is based on a formula of 1.75% of gross earnings. On an annual basis, the Trustees, at their discretion and taking into consideration the Plan’s financial performance, approve Annual Earnings updates to average earnings in the previous 3 calendar years. The formula for the “update” is $1.75\% \times \text{Average Earnings} \times \text{years of Credited Service}$. The member’s pension entitlement is based on the greater of the amounts before and after the update.

Currently, the negotiated Employer contribution rate is 10% of gross earnings and the Employees’ negotiated contribution rate range from 3% to 6% of gross earnings, depending on the age of the member. The benefits provided by the TWPP are determined by the Trustees based on the contributions and cost of benefits, which is determined on an actuarial basis as the total amount of money required to provide the given level of benefits for all members of the Plan.

The Board of Trustees approved an earnings update to January 1, 2024. Benefit improvements are approved based on the principle guidelines for all Plan funding decisions as documented in the current Funding Policy. Additionally, an ad-hoc retiree pension increase of 3.0% has been approved for April 2024.

The TWPP adopted an investment strategy that matches the assets and liabilities of the Plan in terms of duration (price sensitivity due to changes in interest rates) and cash flows. Consequently, the Plan’s investments are in assets that have continued to provide excellent protection for the benefits promised by the Plan. Most of the Plan’s assets are in fixed income investments, such as Canadian and Provincial Government bonds, high quality corporate bonds and mortgages; other investments include income producing real estate, such as Concert Properties, hedge fund of funds, infrastructure, private credit funds and equities (both public and private). The Plan’s direct exposure to equities is a very small portion of the total portfolio, at approximately 7%.

The Plan’s investment strategy is designed to ensure that the Plan’s benefits can be provided with a high degree of certainty. Annual actuarial valuations and asset/liability modeling analyses are performed to determine if adjustments to the investment strategy are required.

The Plan's professional advisors monitor the performance of the assets, and provide regular updates to the Board of Trustees ensuring the Plan continues to meet its goals and provides the level of pension benefits reported to the Plan members annually.

AUDITED FINANCIAL STATEMENT

The following is a summary of net assets available for benefits at December 31, 2022. The complete Audited Financial Report is available for viewing at the Pension Administration office.

	2022	2021
<i>(All amounts in this table are in thousands of dollars.)</i>		
Increase in Assets		
Investment Income	\$ 45,961	\$ 55,284
Increase in Fair Value of Investments	(635,662)	165,658
Contributions		
Employers	18,933	21,386
Employees	9,517	10,129
Total Contributions	28,450	31,515
Total Increase in Assets	(561,251)	252,457
Decrease in Assets		
Plan Benefits		
Retirements	221,242	218,349
Deaths	345	3,016
Terminations	3,795	3,612
Return of employees' voluntary contributions	236	186
Total Plan Benefits	225,618	225,163
Administrative Expenditures	3,235	2,869
Investment Management Fees	4,997	5,562
Total Expenses	8,232	8,431
Total Decrease in Assets	233,850	233,594
Increase in Net Assets	(795,101)	18,863
Net Assets Available for Benefits, Beginning of Year	5,627,992	5,609,129
Net Assets Available for Benefits, End of Year	\$ 4,832,891	\$ 5,627,992

ACTUARIAL VALUATION RESULTS AT JANUARY 1, 2021*

The Actuarial Valuation results as of January 1, 2021 show that the Plan continues to be soundly funded. The Plan is well positioned to provide the benefits accrued to date and those expected to accrue in the future. The Plan is only required to file a Valuation every three years.

The Plan's Actuaries are in the early stages of the Plan's next valuation as at December 31, 2023; we expect it will be completed and reviewed by the Trustees at the June Board meeting. Once it has been reviewed it will be shared on the Plan's website.

STATISTICAL INFORMATION

The following statistics are based on membership data as of December 31, 2022

	Total
Active Participants	2,749
Average Age of Active Participants	44.7
Disabled Participants	237
Retired Participants**	9,263
Survivors** (Spouse of Deceased Participant)	890
Beneficiary (non-spouse of Deceased Participant)	7
Term-vested Participants *	1,866
Transferred	728

*Term-vested participant is a terminated member who elected to remain as a participant of the Plan and retire at a later date.

**Includes duplicate records due to voluntary account balances being converted to benefits.

*A complete copy of the Actuarial Report is available on the TWPP website at www.twplans.com

THE TRUSTEES

The current Trustees of the Plan are:

Company Trustees

Stephen Lewis

Andras Vagvolgyi

Gopi Chande

Wade Domries

Union Trustees

Donna Hokiro

Michael Phillips

Czar Loquia

Christopher Stephens

The Trustees are responsible for the overall operation of the Plan. Some of the key responsibilities include:

- adoption of the Plan's Investment Policy and funding strategies;
- design of the Plan benefits and adoption of improvements;
- adoption of the Plan Document and amendments;
- operation of the Plan in accordance with the terms of the Trust Agreement and adoption of amendments to the Trust Agreement;
- review of the actuarial reports and fund performance;
- appointment and review of Plan advisors, consultants and service providers;
- review and approve communications with the members; and
- review and approval of benefit payments.

WHO TO CONTACT FOR INFORMATION

If you have any questions about your retirement benefits or need to change any information concerning your pension payment, please contact the plan office.

Address: #303-4603 Kingsway, Burnaby B.C. V5H4M4

Local Calls: 604-430-1317

Toll Free: 1-877-430-3302

Fax Number: 604-430-5395

General Email queries: general@twplans.com

If you would like more information regarding your benefits with the TWPP please visit our website at www.twplans.com where you will find booklets, important notices, forms to download, etc.

Sincerely,

Jennifer Bucholtz, *PPAC, CEBS*
Administrator