

Trustees' update

As we did last year, the Board of Trustees of the CERi Pension Plan wanted to update our CERi Pension Plan members about our continuing efforts to transition the CERi Pension Plan from a Defined Contribution (DC) pension plan to a Target Benefit (TB) type of pension plan.

As a result of our efforts leading up to, and since, the 2019 Federal Election, we are very optimistic that our lobbying of the government to ensure our new TB pension plan design is accommodated within the federal pension funding rules will result in positive legislative action this year.

This newsletter highlights:

- Our lobbying efforts to date, the impact of the 2019 Federal Election on our progress, and the significant step forward we've made in seeking pension legislation changes.
- The progress we've made to transition to a TB pension plan, as described in our [**first and second Newsletters to members**](#).
- Our next steps and the expected timing, assuming that Parliament and Finance Canada resume all regular activities within a reasonable time-frame following the current COVID-19 emergency protocols.

We also want to remind all Plan members that 2019 year-end investment returns are available, and we encourage you to visit the Manulife VIP Room (<https://viproom.manulife.com>) to learn more and view the investments within your Plan account. You can find a link to the Manulife VIP Room at www.ceripension.ca, where you'll also continue to find updates and information about the CERi Pension Plan.

While there remains much to do, we are encouraged by the progress we've made in recent months and look forward to the future.

In service,



Alex McKinnon, Chair



The CERi Pension Plan request for solvency funding exemption

Our **first Newsletter to CERi Pension Plan members** in August of 2018, provided a calendar of key milestones and timing, including future activities and a summary of the differences between types of pension plans and why the Board of Trustees has requested an exemption from the solvency funding rule. Since then, the Board and their advisers have continued to aggressively pursue an exemption from solvency funding requirements.

During 2018 and 2019, there were more than a dozen in-person meetings with various government officials, including six meetings with the Ministry of Finance, and two meetings each with the Prime Minister's Office (PMO) and Innovation, Science and Economic Development (ISED). This is in addition to meetings with Finance Canada, and many calls with federal representatives and influencers.

All this said, we believe that the considerable time and effort expended by the Trustees on this matter – which has been in addition to our usual responsibilities – has paid off.

In August 2019, just before the 2019 Federal Election, we sent a letter to the Minister of Finance, expressing our frustration and disappointment in the government's lack of action on our request. Ten days later, we received a letter from the Minister confirming that the Department of Finance Canada would be moving forward with a consultation process aimed at introducing new funding rules for federally registered TB pension plans (known as "Negotiated Contribution Plans" under the federal legislation). The Minister further advised that the new

funding rules would not include solvency funding requirements (as we have requested) and are expected to be introduced in 2020. Although we would have liked to receive this confirmation and to have new rules in place earlier, we are pleased that the necessary regulatory changes now seem to be not far off.

Following the 2019 Federal Election, we continued close contact with the government. In December, Finance Canada sent us their consultation paper. It outlines contemplated changes to the pension rules, including the removal of solvency funding requirements, as well as related plan governance and member communication changes for TB pension plans. The consultation paper invited targeted Negotiated Contribution Plan stakeholders to provide their views on the changes. We met with Finance Canada in January and formally responded to their consultation paper on January 31st, providing our views and feedback. At this point, we understand that Finance Canada's goal is to have the resulting pension legislation changes introduced during Parliament's spring 2020 session.

While the outcome is still not 100% certain, we are very optimistic that the legislative changes will pass, and that new funding regulations, including the removal of solvency funding requirements, will be in place later this year. Implementing this new regulatory framework is important and extremely significant for the CERi Pension Plan, as it will enable us to implement a Target Benefit (TB) pension plan design for all our members.

Transitioning to a TB pension plan

In the meantime, the Board of Trustees has continued work on the TB pension plan design, and the associated tasks needed to set up the new pension plan structure, as much as we have been able to while waiting for the legislative changes. Our goal is to launch the CERi TB pension plan once the legislative and regulatory changes are effective.

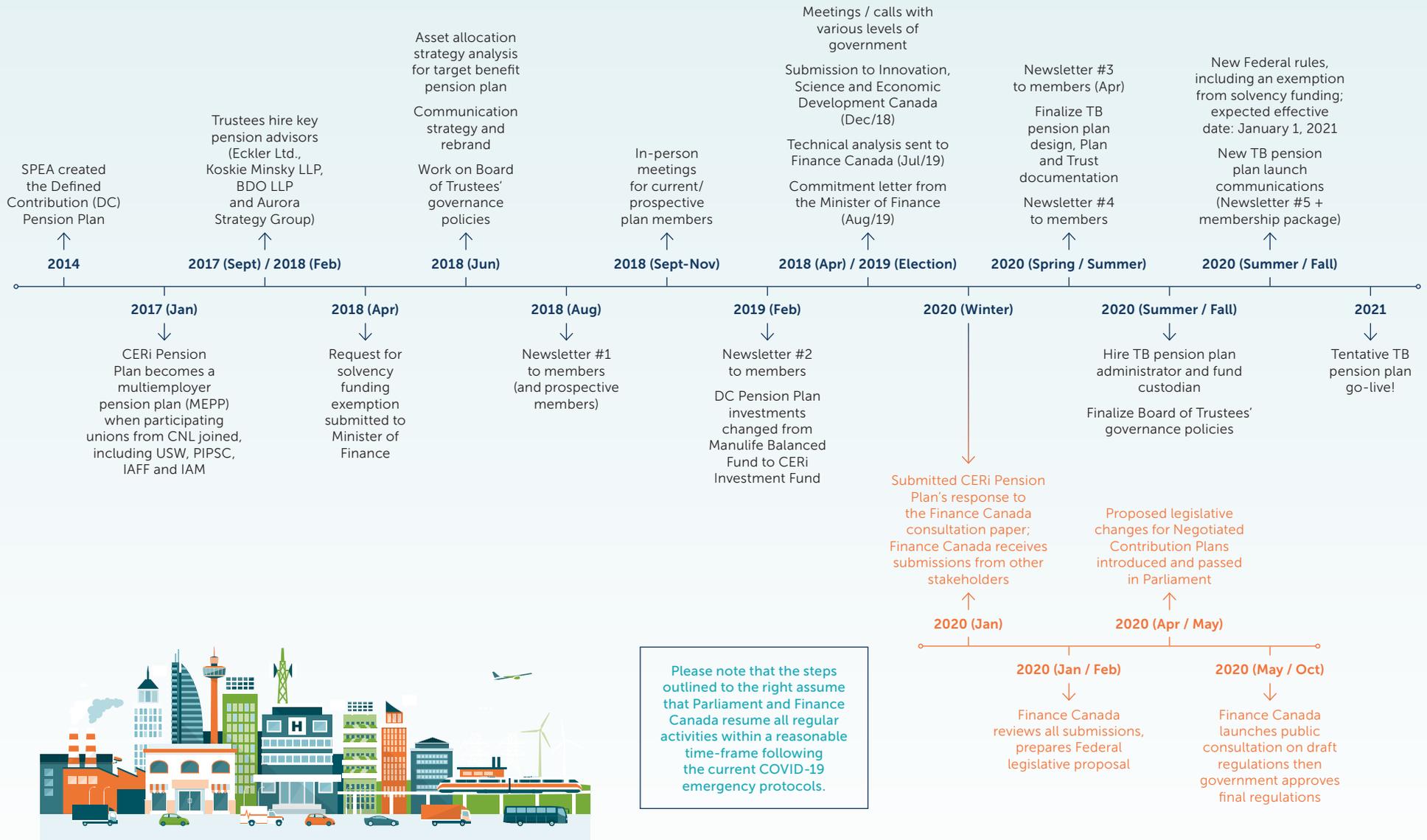
While several significant tasks remain, we expect to finalize the CERi TB pension plan design and plan provisions early in 2020 (subject to final Federal regulations). We plan to share these details with members in our next Newsletter.

Assuming legislation and regulations are released in the Spring and Fall, and will then be effective January 1, 2021, the intention is to have the new CERi TB pension plan go live on January 1, 2021.



The journey so far, and what comes next

Sometimes, a picture explains things best. In this case, we think it nicely shows how much we've accomplished, and how things are anticipated to unfold for the balance of the year.





Information at your fingertips

To help make it easier to access information related to the CERi Pension Plan, visit www.ceripension.ca.

You can currently access:

- Member Newsletters
- Frequently Asked Questions and Answers
- A direct link to the Manulife VIP Room so you can quickly and easily login to your account

The Board of Trustees

ALEX MCKINNON

(USW, Chair of Board of Trustees)

amckinnon@usw.ca

+1 416-544-5981

MATTHEW CROWE

(CRPEG – PIPSC) CNL

matthew.crowe@cnl.ca

+1 613-584-3311, ext. 44268

REZA ZIAEI

(SPEA) Candu

reza.ziaei@snclavalin.com

+1 905-301-1443

PAUL SCHMIDT

(WPEG-PIPSC)

CNL Whiteshell

paul.schmidt@cnl.ca

+1 204-753-2311 ext. 62649

MARK JAMIESON

(SPEA) Candu

mark.jamieson@spea.ca

+1 416-459-1894

WILLIAM POIRIER

(IAFF) CNL

william.poirier@cnl.ca

PETER MOSS

(USW) CNL

petawawapete@live.ca

A FINAL WORD

This newsletter has been prepared exclusively for the Canadian Energy and Related Industries (CERi) Pension Plan. It is not intended to be comprehensive or to provide advice. This newsletter describes the CERi Pension Plan as at the date of publication, and the Board of Trustees reserve the right to amend the plan at any time. If there are any differences between the information provided in this newsletter and any legal documents that govern the delivery of benefits, the legal documents will apply.