Municipal Pension Plan

Update for MVRD Teamster Employees

TEAMSTERS LOCAL 31

PLAN HEALTH

- Plan is fully-funded, healthy and sustainable.
- Triennial valuation process manages the plan’s sustainability.
- Both employers and employees contribute to and manage the MPP

ASSETS & GROWTH

- Plan assets valued at $51.5 billion (2017)
- 5-year annualized growth of 10.4% (industry benchmark 9.2%)
- 10-year annualized growth of 7.1% (return target 6.5%)

2017 Balance Sheet

$46.4 bil assets + $2.0 bil <u>contributions</u> + $5.1 bil <u>investment income</u> - $2.0 <u>payments</u> = $51.5 bil

INVESTMENT MANAGEMENT

- Pooled funds managed by BC Investment Management Corporation (.3% management fee)
- BCIMC oversees investments in 4 other Provincial pension plans
- 75% of a retirees pension gained through investment growth
- Investments now focussed on real estate, utilities & transportation infrastructure
- Responsible Investment principles / Climate Action Plan commitments

MEMBERSHIP

- 200,000 active members working for 932 employers
- Total membership 333,000 – 59% active, 12% inactive & 29% retirees
- Active membership grew 2.3% while Retirees rose 6.3%
- Since 2008 Actives up 25% / Retirees up 67%
- Gender Demographics: Females 73% / Males 27%

PENSION BENEFITS

- MPP manages 3 programs – Basic Pension, COLA & Health Benefits
- Basic Pension is guaranteed, COLA payments and Health Benefits are not
- Basic Pension calculated Years of Service X Highest Average Salary X 1.6%

25 Years of Service X $60,000 Highest Average Salary X 1.6% = $24k or $2,000 monthly income