

# BE A PENSION SUPERHERO

HARNESS THE POWER  
OF YOUR PENSION

Report to Members 2014

# Your Trustees: Safeguarding the Health of the Plan

Welcome to the 2014 Report to Members, a look at the College Pension Plan's financial health and changes that have taken place over the past year, and an overview of upcoming changes to the pension plan design.

Our number one priority remains the security of your basic pension benefit. The College Pension Plan is a retirement savings vehicle for more than 24,000 plan members across BC and, as the trustees, we take our responsibility for safeguarding the health and well-being of the plan very seriously. Your pension benefit is an important asset for you and your family. By contributing to the plan today, you're funding your future retirement income. The plan's diverse portfolio of investments keeps it balanced and strong, ensuring you'll receive the pension you've been promised.

capable of weathering economic highs and lows, while securing your basic pension benefit for the future. The 2014 results are one point in time on a much greater continuum, helping to illustrate that a well-managed plan coupled with a long-term investment strategy are key to the continued sustainability of your pension.

Another key to the plan's continued sustainability is the adaptability with which the plan is managed. Smaller plan changes, known as plan rule amendments, have always happened to ensure that the plan reflects changes occurring in the legislative

landscape. The plan's overall design though, developed nearly 50 years ago, is due for an update to better reflect the current economic, demographic and social environment within BC.

People are living and working longer, and all

reports tell us this trend will continue. So your plan is being simplified and modernized to address these changes while proactively maintaining its value and long-term sustainability. This type of plan change isn't uncommon. The federal government's changes to the Canada Pension Plan also reflect this trend towards working and living

longer. The changes to the design of your plan come into effect on January 1, 2016.

These plan design changes signal an evolution of the College Pension Plan, and it continues with you, the member. As the trustees of the pension plan, we encourage you to learn more about the plan. The more you know about your pension, the better prepared you will be for your retirement years. By registering for My Account, you have access to a number of tools aimed at helping you understand your future benefit. The College Pension Plan website also has numerous resources available to encourage and support you as you learn about your pension options and ways to optimize your pension benefit and overall retirement income savings. The Modernizing the plan webpage is the go-to resource for information on the plan design changes that come into effect on January 1, 2016, and includes the new Pension Previewer tool to help you better understand how the plan design changes will affect your future retirement pension.

We look forward to serving College Pension Plan members in the year ahead.

## STEADY AND CONTINUOUS GROWTH

*The plan's investment portfolio earned a 17.5 per cent return net of fees for the fiscal year 2013/2014, exceeding the annual benchmark of 15.8 per cent.*

This past year, the College Pension Plan experienced healthy investment results amid a global economy that continued to recover. While this is a great result for one year, the plan's five-year rate of return, which sits at 9.9 per cent, better reflects the long-term health of the plan, showing steady and continuous growth,

Get to know your trustees at [college.pensionsbc.ca](http://college.pensionsbc.ca) > Plan Governance > Board of Trustees

# Knowledge is Power!



About 70 cents of every pension dollar paid out comes from investment returns, while the other 30 cents comes from contributions made by you and your employer.

The plan pays out roughly  
**\$120 million in pension benefits**  
every year and much of that money  
flows into the BC economy.



## MODERNIZING THE PLAN

Go online for more information about how the pension formula, early retirement reduction and contribution rates are changing.

[college.pensionsbc.ca](http://college.pensionsbc.ca) > Modernizing the plan



## Your online pension portal.

Check out all your future pension options easily with the updated Personalized Pension Estimator tool. Now your most recent pension estimates are automatically saved, so you can refer to them later. The tool also lets the plan refer to your saved estimates in order to offer you the best information about your options.

The Personalized Purchase Cost Estimator will help you decide if purchasing service will pay off in the long term. If you've taken an employer-approved leave of absence and did not make contributions to the plan during that time, you can determine how much it will cost to pay back the time you've missed.

New to My Account? Registration is quick and easy. Follow the instructions at [college.pensionsbc.ca](http://college.pensionsbc.ca) > My Account and start using the personalized pension estimator today! You will need your person ID number, which you can find on your *Members' Benefit Statement*.

Join today!

My Account

FAST. CONVENIENT. SECURE.

## Your Life. Your Pension. Your Power.

It's important to remember that life events may affect your pension. Here are some common questions from members like you.



**DID YOU KNOW** that if you are within five years of retirement, you can attend one of our free, interactive *Thinking About Retiring* seminars, held throughout the province. Visit [college.pensionsbc.ca](http://college.pensionsbc.ca) for upcoming dates and locations.

“Will I be able to transfer my pensionable service time from my last job to the College Pension Plan?”

- The plan has a number of reciprocal transfer agreements with pension plans across Canada. The *Transferring service* PensionFacts lists the plans with reciprocal transfer agreements in place, and also mentions the ways in which transferring service may affect your future pension payments.
- The *Your pension and your RRSP room* PensionFacts gives you some basic information about tax implications that could affect you if you choose to transfer your previous pension.
- Transferring service has a time limit. To ensure you meet the deadlines set for transferring, confirm your eligibility, apply for a transfer estimate, or simply get more information, you can contact the College Pension Plan directly by phone or email.

Questions about your pension?

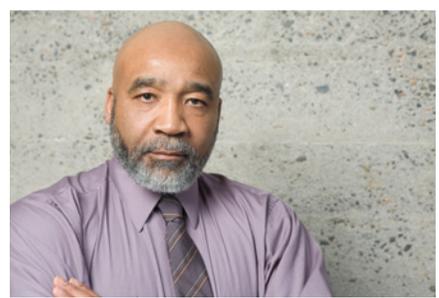
**The answers are in your Member's Benefit Statement.**

- Your annual *Member's Benefit Statement* is sent out every January, along with this *Report to Members*.
- Your pension is a valuable asset, and the statement explains the value of your pension and provides an overview of the options available to you about how and when to retire.
- Your statement is also available online through My Account. To register for My Account, visit the plan website and click the My Account logon button. Registration is easy and offers enhanced security measures.



“I’m thinking about leaving my job. How will this affect my pension?”

- The *Termination of employment* PensionFacts provides you with your options if you decide to leave your job.
- To see how leaving your job will affect your pension, contact the plan directly by phone or by email.



“How could my marital breakdown affect my pension?”

- The *How a separation or divorce affects your pension* PensionFacts will provide you with some direction about what you and your spouse need to discuss moving forward.
- You and your spouse will be able to let your lawyers know about the *Pension division upon marital breakdown-information for lawyers and actuaries* resource webpage.



“What steps can I take now to optimize my pension benefit before retirement?”

- You may be able to optimize your future pension benefit by buying back any unclaimed pensionable or claiming contributory service. Review the *Purchasing arrears*, *Purchasing leaves of absence*, *Claiming child-rearing time* and *Your pension and your RRSP room* PensionFacts in order to explore any service purchase options that you may qualify for.

**QUESTIONS LIKE THESE? VISIT [COLLEGE.PENSIONSBC.CA](http://COLLEGE.PENSIONSBC.CA) OR CONTACT THE PLAN FOR MORE RESOURCES.**

**Give it to me  
straight.**

Whether you’re a “just the facts” kind of person or looking for some help determining truth from fiction, visit StraightTalk at [college.straighttalk.pensionsbc.ca](http://college.straighttalk.pensionsbc.ca) for an overview of the key facts about the plan, along with resources for in-depth details.

LEARN THE TRUTH  
UNDERSTAND THE FACTS

[college.straighttalk.pensionsbc.ca](http://college.straighttalk.pensionsbc.ca)

# The Law of the Land: Plan News and Rule Changes

## NOMINATION OF BENEFICIARIES

### *Changes to the Nomination of Beneficiaries under the Wills, Estates and Succession Act*

The province's *Wills, Estates and Succession Act* (WESA) came into effect on March 31, 2014, and implemented changes to the nomination of beneficiary rules. WESA is an important piece of legislation that updates and modernizes four existing statutes that govern wills and estates.

**Actions you can take now:** If you have a spouse, they are automatically your

beneficiary unless they have waived their rights to any death benefits; you do not have to take any action. If you do not have a spouse and have not completed a Nomination of Beneficiary form, your estate is your beneficiary by default.

The WESA amendments expand the number of beneficiary options available to you, but you are not

required to do anything if you have already nominated a beneficiary—your existing nomination will remain valid. You now have more options for nominating beneficiaries, including nominating multiple beneficiaries, organizations or charities and nominating beneficiaries in a will. For more information on WESA, go to [college.pensionsbc.ca](http://college.pensionsbc.ca) > FAQ and read the Q&A.

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## THE FAMILY LAW ACT

*The Family Law Act gives people new options to divide a pension in the event of a separation or divorce. To find out more and what it could mean to your relationship, your family and your pension, check out the How a separation or divorce affects your pension PensionFacts at [college.pensionsbc.ca](http://college.pensionsbc.ca).*

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# Plan Statistics Champions

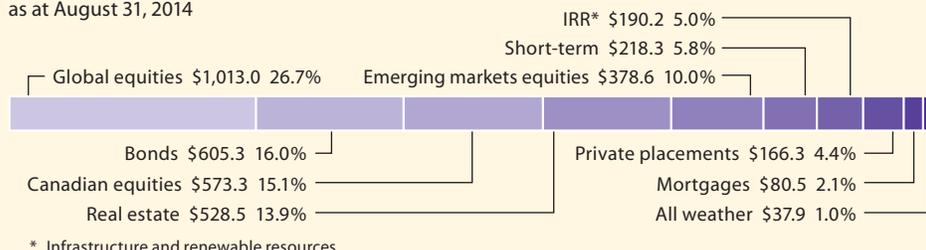
The College Pension Plan holds a diversified portfolio of investments that permits prudent management of risk and good long-term investment returns. For the plan's full investment policy, see the *Statement of Investment Policy and Procedures* on the plan website.

■ Financial details (unaudited) ■ Membership details

## INVESTMENT HOLDINGS (totaling \$3,791.9 million)

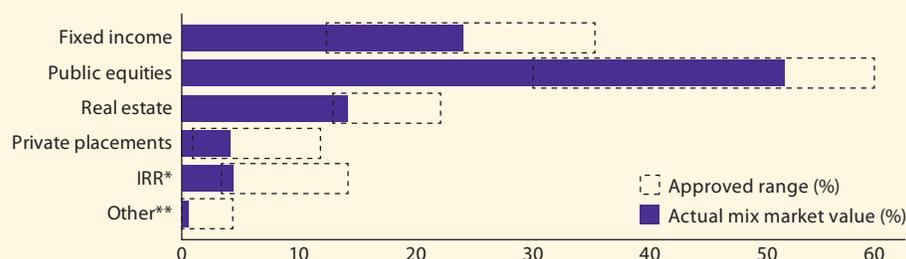
(\$ Millions)

as at August 31, 2014



## APPROVED ASSET RANGE

as at August 31, 2014



## INVESTMENT AND ADMINISTRATION COSTS

for the year ended August 31, 2014

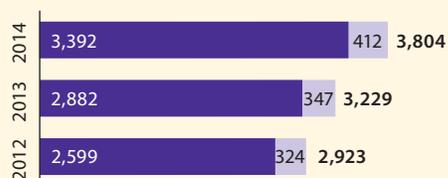
Category	Percentage of net assets
Benefit Administration	0.10
Investment Management	
Direct	0.16
Indirect*	0.05

\* External investment management costs of \$1.8 million incurred by wholly owned corporations are included in investment management costs as a percentage of net assets.

## NET ASSETS AVAILABLE FOR BENEFITS

(\$ Millions)

as at August 31

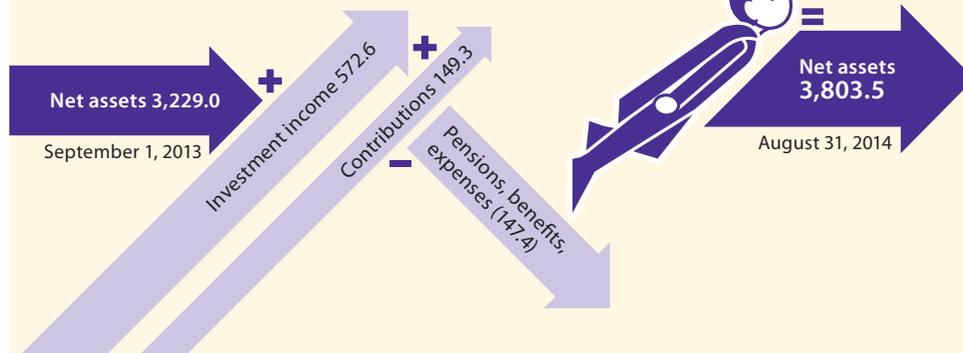


■ Net assets available for basic benefits  
■ Net assets available for inflation benefits

## FINANCIAL HIGHLIGHTS (unaudited)

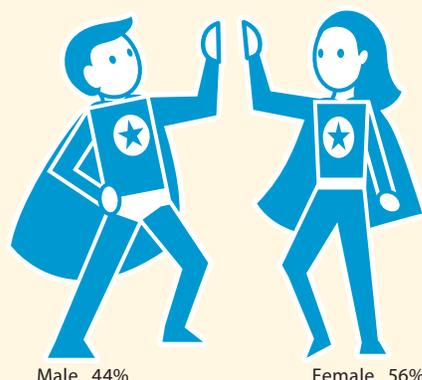
net assets available for benefits

(\$ Millions)



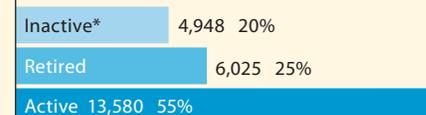
## ACTIVE MEMBER GENDER PROFILE

as at August 31, 2014



## MEMBERSHIP PROFILE

as at August 31, 2014



\* Those who have terminated employment but whose contributions remain on deposit in the plan.

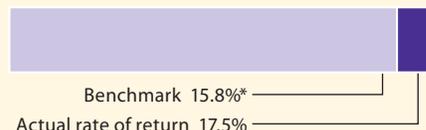
## CHANGE IN MEMBERSHIP

for the period 2010-2014



## RETURN ON INVESTMENTS

for the year ending August 31, 2014



\* Benchmarks are standards to compare against actual investment returns.



**College  
Pension Plan**

***SUSTAINABLE FUTURES***

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**DISCLAIMER**

The information in this booklet is based on the legislation and the BC College Pension Plan rules in effect as of August 31, 2014, except where otherwise noted. In the event of any variation between the information in this booklet and the provisions of the statutes, regulations and plan rules that govern any benefits available under the BC College Pension Plan, the latter will prevail. Financial figures presented in this report as at August 31, 2014, are unaudited.