Christian Schools International

Canadian Christian School
Pension Plan and Trust Fund Update

Projection Study Findings

Keeping the Pension Plan Sustainable

In line with our five-year cadence, this Pension Plan update is to report on ongoing activities to ensure the long-term financial health of the Canadian Christian School Pension Plan (the Plan).

We communicate the results of these studies to keep schools and participants **aware of market trends** and potential risks or potential rewards.

10 YEARS AGO

The study revealed required adjustments to both the contribution and benefit formulae under the CSI Plan.

5 YEARS AGO

The study resulted in the removal of some early retirement subsidies and an updated investment policy.

CURRENT

The study showed the Plan to be in a healthier state. Only changes in the investment policy are recommended.

While the Trustees are taking decisive action on all fronts, we also proactively assess the future viability of the Plan through periodic projection studies. According to current projections, the health of the Plan moving forward **remains consistent with our previous assessment**. The Plan is sustainable over the long-term and that is reason to be encouraged.

Key Findings

The Projection Study is not a guarantee of the future health of the Plan, however it is an indicator of the current health status of the Plan.

For Plans like ours, a healthy shared-risk/shared-reward element will show a high likelihood of contributions meeting the plan's funding cost. Based on the current benefit and contribution levels (without any adjustments in the future) and the current asset mix, contributions have about a **70%** probability of meeting the Plan's minimum funding cost over the **20-year projection period**. This probability is similar to previous projections.

Material benefit reductions are possible, but the probabilities are low. However, the risk of contribution increases or benefit decreases could only be eliminated if contributions were set at very high levels or benefits levels were set at very low levels. Some risk taking is necessary to achieve retirement plan goals at a reasonable cost.

The study also found that the **Plan's asset mix** can be updated to reduce the magnitude of contribution increases, or benefit decreases, in the situation where contributions are insufficient to meet the funding cost. The trustees have approved an updated asset mix.

The study did not call for any immediate adjustments to the contribution or benefit formulae. The Board of Trustees will continue to monitor the Plan's status. Changes will be considered if and when the time comes to increase contributions and/or reduce benefits.

Conclusion

MOVING FORWARD

What we've learned most from the 2019 Projection Study is that the financial status of the Plan is not a cause for concern based on our findings.

The projection study gives us reason to remain positive. As has been the case from the beginning, we will continue taking decisive action with the Ontario government and provide updates of our progress. We will continue to proactively manage risks and pursue protections to the Plan on an ongoing basis going forward.

ADDITIONAL QUESTIONS? CONTACT OUR TRUSTEES

Janet Baird, Participant Trustee, AB
Ian Timmerman, Participant Trustee, ON
John van der Leek, Participant Trustee, BC
Marianne Vangoor, Participant Trustee, ON
Michelle Fluit, Board Trustee, ON
Sandra Kolarcik, Board Trustee, BC
Ken Volkenant, Board Trustee, BC
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Reach our Trustees by contacting Howard Van Mersbergen, vice president of employee benefits, at 877.274.8796. ext. 226, or **hvanmersbergen@csionline.org**.

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