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## Message from the CEO



This past year has been one of progress and accomplishment: we embraced the challenges that came with the COVID-19 pandemic to develop resilient processes and controls that protect your pension fund.

### HERE ARE SOME OF OUR KEY SUCCESSES FROM THE LAST 12 MONTHS



#### Actuarial valuation as at December 31, 2020:

We compared Plan assets with expected liabilities to measure the financial health and long-term sustainability of the Plan as at December 31, 2020. The Plan was fully funded with a funded ratio of 103%.

Great news! Member and employer contribution rates will decrease effective January 1, 2022. Learn more [here](#).



**New asset mix:** Following a comprehensive asset-liability study completed in April 2021, the Board of Directors adopted a new asset mix for the Plan fund. Learn more [here](#)!



**Enhanced online member tools:** In-person appointments stopped in 2020, but the important behind-the-scenes work at PSPP continues. We made improvements to the website and *Your Pension Profile* to ensure you are supported wherever you are in your pension journey. You can learn more about the *Your Pension Profile* [here](#) or visit [PSPP.ca](#) and sign up today to view your personal pension information.



**PSPP Plan Text:** The new Plan Text became effective January 1, 2021, applying plan provisions that were required by legislation, while simplifying language, and streamlining administrative processes. The Plan Text is available on [PSPP.ca](#).



**2020 annual report:** Over the summer, we published our 2020 annual report which provides a snapshot of Plan performance and the story of the work we do on behalf of PSPP members and participating employers. On the next page are some [key highlights](#) from 2020.

For Plan updates and further information, see the What's New? section on [PSPP.ca](#).

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## 2020 ANNUAL REPORT: HIGHLIGHTS

Download the full 2020 annual report [here!](#)

### PLAN FUND SIZE

**\$15.6 billion**

Up slightly from \$15.4 billion in 2019

### INVESTMENT INCOME

**\$319.9 million**

Compared to \$1.8 billion in 2019

### 2020 RETURN

**1.64%**

Despite the modest return in 2020, the PSPP portfolio continues to be constructed to deliver healthy long-term returns through different economic conditions. The Plan continues to be well funded, and your pension benefits remain secure.

### 10-YEAR INVESTMENT PERFORMANCE

**8.4% (ANNUALIZED)**

Outperformed the long-term funding expectation of 6.4%

### PARTICIPATING EMPLOYERS

**28**

### PLAN MEMBERSHIP



ACTIVE

**39,447**



INACTIVE

**19,443**



PENSIONERS

**28,973**



Did you know...

There are **25** retired Plan members over the age of **100**.  
The longest pension in pay is almost **52** years!



Update on in-person services...

The pension services office will remain closed to in-person services for the remainder of 2021. However, a service representative can still be reached by phone at **1-877-453-1777**, or online through **Secure Messaging** (through the [My Pension Profile](#)).



## 2022 contribution rates

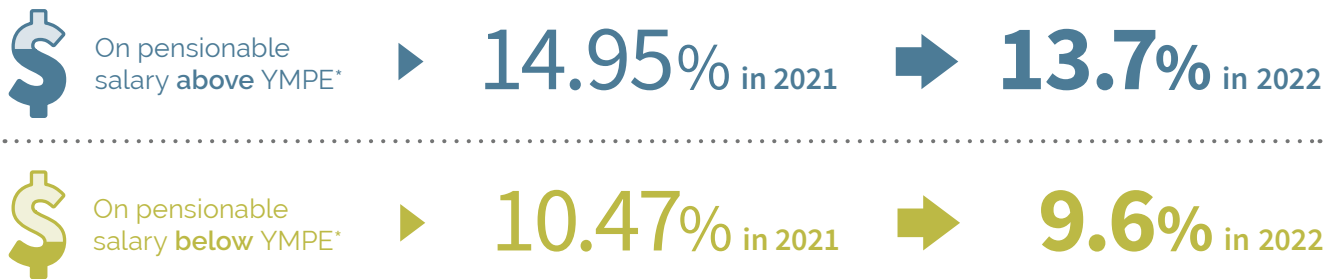
The PSPP Sponsor Board reviews contribution rates each year based on the Plan's financial position and an analysis of how much money is needed to pay future pension benefits to members. Contribution rates may increase or decrease depending on the results of an actuarial valuation.

The PSPP Sponsor Board considers things such as benefit security, contribution rate stability and intergeneration equity when reviewing and determining contribution rates. Read more about how Plan decisions are made in the **PSPP Funding Policy Statement**.

### Great news – contribution rates are going down!

We are pleased to announce a reduction in member and employer contribution rates effective January 1, 2022. This decrease will not affect the benefit you will receive when you retire – the PSPP Sponsor Board is able to reduce contribution rates because the plan is in a strong financial position.

### MEMBER AND EMPLOYER CONTRIBUTION RATES



\*YMPE stands for the Year's Maximum Pensionable Earnings. It is set by the Government of Canada each year. In 2021, the YMPE is \$61,600.

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SEPTEMBER 2021



## RESULTS OF THE ACTUARIAL VALUATION AS AT DEC. 31, 2020

The results of the actuarial valuation showed that, despite the market volatility experienced in 2020, the Plan continues to be in a healthy financial position, with a funded ratio of 103.4%. Download a copy of the full report [here](#).



TOTAL PLAN ASSETS

**\$15.8 billion**

FUNDED RATIO OF THE PLAN

**103.4%**

TOTAL PLAN LIABILITIES

**\$15.3 billion**

**\$1.03**

Amount of money available for every dollar of pension benefits that have been earned and are payable at a future date



Did you know...

By legislation, actuarial valuations must be conducted and filed with Canada Revenue Agency and the Alberta pension regulator at least every three years. We conduct actuarial valuations *every year* to monitor the health of the Plan. This is one of the ways we monitor to keep your pension secure.

## PSPP: supporting your financial security into the future

People rarely think about their pension until they get close to retirement, but that doesn't mean it's not valuable. Don't underestimate your important asset.

Both you and your employer contribute to PSPP each month before the money ever reaches your bank account, so you always pay yourself (and your future) first.

Combined with the benefits provided by the federal government and your personal savings, PSPP plays an important role in your overall retirement income – a secure monthly retirement income from PSPP means you have one less thing to worry about.

A defined benefit pension plan is one of the best ways to invest in your future. Your PSPP pension will give you the confidence and peace of mind you need to plan your retirement.

### HERE ARE A FEW FACTORS THAT MAKE PSPP A VALUABLE PART OF YOUR RETIREMENT INCOME



PSPP is a **defined benefit (DB) plan**, so you know exactly how much pension you will receive at retirement – the amount is based on a set formula, not on how investments perform in the market.



As of June 2021, the PSPP fund has grown to over \$16.8 billion in assets – making it one of the **biggest and most secure** pension plans in Alberta.



You will never outlive your pension; it will be paid in the same monthly amount **for the rest of your life**, even if you live to be over 100 years old.



You can also **provide benefits to your loved ones** when you pass away.



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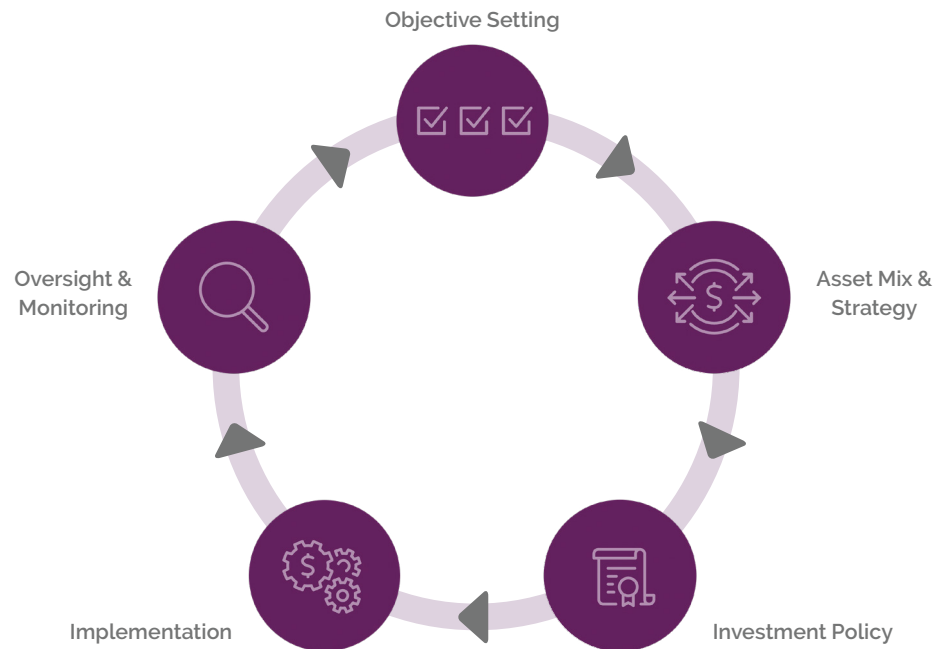
Your Pension Profile

# Sound investment decisions – our framework

Returns from our investment portfolio are the primary source of pension benefit funding long-term. PSPP Corporation operates within a framework that follows industry best practice related to investment decisions and features a cycle of visiting and revisiting key decisions.

The objective of the investment program is to balance the risk-reward dynamic of returns in capital markets. The goal of investment decision making is to build an investment portfolio that is highly diversified across available asset classes and is in line with an accepted level of risk.

A formal **Statement of Investment Policies and Procedures (SIPP)** has been established to direct the investment program. AIMCo, PSPP's legislated investment manager, is responsible for the implementation of the SIPP. PSPP Corporation oversees the implementation and monitors investment results versus expectations.



## New asset mix

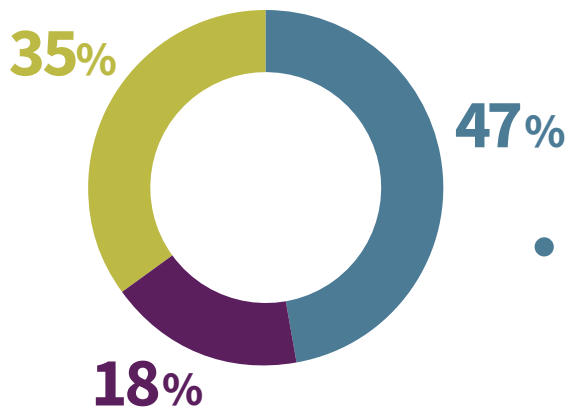
In early 2021, PSPP Corporation finalized a comprehensive asset-liability study to explore opportunities to improve the risk-reward profile of the PSPP investment portfolio. Following extensive quantitative and qualitative analysis and deliberation that began early in 2020, the PSPP asset mix was adjusted to increase the allocation to private market asset classes by 9.5%.

**EQUITY ASSETS** are the highest return – and highest risk – category in the portfolio and are critical to meeting long-term investment objectives.

**FIXED INCOME ASSETS** are the least risky assets in the portfolio, providing low but stable returns, and provide the portfolio with an important element of safety during downturns in equity markets.

**ALTERNATIVE INVESTMENTS** include Real Estate and Infrastructure. These assets provide stable and predictable income while offering long-term inflation protection.

Movement towards the new target allocation in private markets will take place over an extended period. PSPP Corporation is monitoring AIMCo's implementation of the new asset mix, which is expected to be completed in approximately four years.



- **EQUITIES**
- Canadian **5%**
- Global **34%**
- Emerging Markets **8%**

- **FIXED INCOME**
- Universe Bonds **9%**
- Private Mortgages **5%**
- Private Debt & Loans **4%**

- **ALTERNATIVE INVESTMENTS**
- Private Real Estate **13%**
- Private Infrastructure **11%**
- Private Timber/Farmland **3%**
- Private Equity **8%**



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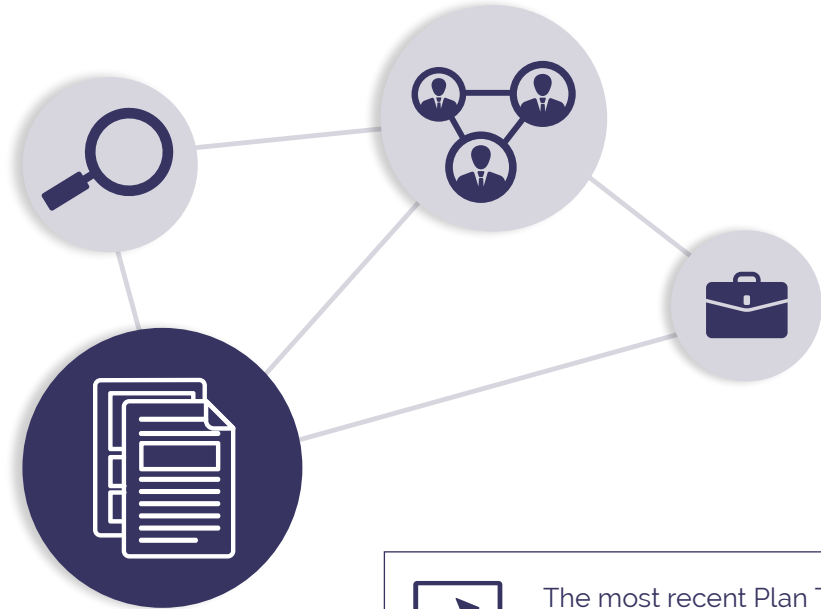
Plan Text update


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# Plan Text update

The PSPP Plan Text is reviewed regularly to ensure it continues to comply with legislation, while supporting efficient and contemporary administrative practices. The Plan Text was updated to reflect electronic communication and to clarify and extend certain election processes and timelines.

The recent update also aligns, effective July 1, 2022, the option available to a member who stops working *before* age 55 with those available to a member who stops working *after* age 55. Once a member turns 55, they are eligible to begin their pension and are not able to withdraw the commuted value of their pension from the fund, regardless of their age when they stopped working.



 The most recent Plan Text is available on [PSPP.ca](https://pspp.ca).





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# Your Pension Profile

## All your pension information in one place

The *Your Pension Profile* tool is available on [PSPP.ca](https://pspp.ca) for all Plan members – active, deferred, retired, and any survivors receiving a benefit – and is available whenever you need it. Simply access it at the top right corner of our website.

### What is a "deferred" member?

If you used to work for a PSPP participating employer and still have a pension with PSPP – but have not yet started it – you are considered a deferred member. You can register for the ***Your Pension Profile*** tool to view your pension benefit and take steps to start receiving your pension.

## SOME OF THE FEATURES INCLUDE:



**Make changes** to your address, communication preferences, beneficiaries, banking information and more



**BuybackEase:** find details on available leave periods and buyback options, and start the buyback process



**PensionEase:** start your retirement application online



**View pension documents**, such as your annual statements and tax slips



**Pension Projection Calculator:** estimate your future pension benefit



**Secure Messages:** contact the Member Services Centre and securely submit your pension documents electronically



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### How to log in

If you previously had a login for *mypensionplan*, you can use that same username and password to log in to **Your Pension Profile**.

To sign up for a new account, click on “Log in to Your Pension Profile” at the top right corner of our website and find the “Register now” button at the bottom of the popup screen. Register with your PSPP Member ID, the 10-digit number found on your annual statement or any pension correspondence from PSPP.



Having trouble registering?

Read the **Log In Help** page.

### Be in the know

Sign up for **Your Pension Profile** and subscribe to **Go Green** to receive email notifications, so you always get the latest pension updates.

