

COMMUNIQUÉ

DATE: June 29, 2020

TO: Public Service Superannuation Plan (PSSP) Active members

RE: The 2020 Funded-Health Review and the 2019-2020 PSSP Annual Report

The 2020 Funded-Health Review:

Public Service Superannuation Plan Trustee Inc. (PSSPTI) has completed its comprehensive funded-health review (2020 Funded-Health Review) of the PSSP. The 2020 Funded-Health Review was conducted in accordance with provisions in the *Public Service Superannuation Act (PSSA)*, which mandates PSSPTI to review the Plan's funded health every 5 years.

The purpose of a funded-health review is to determine the Plan's ability to afford indexing (also known as cost-of-living adjustments, or COLA) for the next 5 years and assess if any change is required to Plan benefits and contribution rates.

The 2020 Funded-Health Review was based on the Plan's funded status as at December 31, 2019, which was 98.5%. The results are:

- As the Plan's funded status was above 96% but below 100%, it was required that PSSPTI consider whether to adjust contribution rates. Upon its analysis and with advice provided by the Plan's actuary, PSSPTI determined that no change in contribution rates is warranted at this time.
- As the Plan's funded status was below 100%, indexing is mandated to be zero for the next 5-year cycle (starting January 1, 2021 and ending December 31, 2025). Under the PSSA's funding policy, when the funded status is below 100% on a stipulated valuation date there can be no indexing paid during the following 5-year cycle.

For more information about the 2020 Funded-Health Review, please refer to the following link on our website: www.nspssp.ca/publicservice/about/psspti-reviews/funded-health-review. If you have any questions or concerns regarding the 2020 Funded-Health Review, please email them to: PSSPTI@nspension.ca

2019-2020 PSSP Annual Report:

The 2019-2020 PSSP Annual Report is now available to view online at: www.nspssp.ca/publicservice/about/plan-performance

View the Report to Members section of the Annual Report to learn interesting facts about the Plan's membership and its financial status at year-end March 31, 2020. You can also read about the Plan's 2019-2020 investment performance and view its audited financial statements.

For more information, please visit our website at: www.nspssp.ca.

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