MORNEAU SHEPELL

NEWS & VIEWS

IN THIS ISSUE

NATIONAL SUMMIT ON PENSION REFORM HELD IN NEW BRUNSWICK

Canada's Public Policy Forum, in joint sponsorship with Morneau Shepell and SunLife Financial, held a pension reform summit in Fredericton on February 19th and 20th. The event drew about 200 attendees, including many of the country's leading pension thinkers, labour leaders, regulators and federal and provincial ministers. One of the highlights of the summit was an examination of the innovative Shared Risk Pension Plan (SRP) that was implemented recently by certain employers in New Brunswick. For cash-strapped employers looking to control pension costs without transferring undue risk to plan members, the question is whether the SRP represents an attractive template for other jurisdictions across Canada.

The SRP is a variation of the Target Benefit Plan that was recommended a few years ago by expert panels in Ontario, Alberta, B.C. and Nova Scotia. The SRP is different in that contributions are not totally fixed – they can vary within a small range depending on the plan's funded level. In addition, a formal funding policy is an integral part of the SRP in order to help control risks, especially to minimize the possibility of benefit reductions. One of the key features of the SRP that makes it effective in New Brunswick is that it also applies to accumulated benefits, including those for retired members. The architects of the SRP were on hand to describe that process that led to its launch. This included actuary and former MP, Paul McCrossan, lawyer Susan Rowland and Conrad Ferguson, the lead actuary from Morneau Shepell who helped to design and implement the plan.

Various other pension issues were also discussed at the Summit. New Brunswick Premier David Alward described the political backdrop that both necessitated the SRP and made it possible. Federal Minister of State, Ted Menzies, reiterated the government's commitment to Pooled Registered Pension Plans. Bill Morneau, executive chairman of Morneau Shepell, commented on the ongoing decline of traditional defined benefit pension plans. Gerry McCaughey, CEO of CIBC, warned of a looming savings gap and made the case for a new voluntary savings vehicle that would be managed by the Canada Pension Plan Investment Board. Jim Leech, CEO of the Ontario Teachers Plan, reaffirmed the continuing importance of strong retirement vehicles and issued a call to action.

Perhaps the most noteworthy outcome of the Summit was the growing acceptance of hybrids such as Shared Risk Plans as eventual replacements for traditional defined benefit plans. Employers, including governments, are expected to favour such plans as a way to control pension costs and share risk in a time of severe financial constraints. Even the labour representatives at the Summit seemed to acknowledge that traditional defined benefit plans may no longer be sustainable. With key representatives of other provinces' pension authorities in attendance, it will be interesting to see whether they borrow from this model when they develop their own rules in the coming years.

OSFI FORUM

On February 12th, the Office of the Superintendent of Financial Institutions (OSFI) hosted its annual pension forum in Toronto to discuss issues and initiatives affecting federally regulated pension plans. Administrators, advisors and service providers had the opportunity to hear OSFI's perspective on the current pension environment, updates on federal legislative developments and its regulatory role and expectations. There are currently 1,354 registered pension plans (358 Defined Benefit, 902 Defined Contribution, 94 Combination) under the supervision of OSFI.

In the session OSFI indicated that one of its key priorities in 2013 was to support the recently introduced *Act and Regulations regarding Pooled Registered Pension Plans* (PRPPs – see our previous article in the *News & Views* of January 2013). The federal government is taking the lead by enacting legislation that may serve as a model for other jurisdictions. OSFI provides guidance to companies who wish to be licensed PRPP administrators. One specific requirement of the Regulation is that the costs for the PRPP be at or below those of DC plans with 500 or more members, but it is not clear how OFSI will determine this. OSFI indicated that it views this as a benchmark and expects that it will be approached in good faith, with each company basing it on its own block of business.

There were many useful topics specific to defined benefit pension plans that were covered. Three specific items are described below.

One particular issue that OSFI discussed, with respect to the valuation report, was the settlement method used in the solvency valuation for some large plans. In light of recent draft guidance from the Canadian Institute of Actuaries (CIA) addressing alternative settlement methods when annuity purchase may not be possible, OSFI indicated that only the replicating portfolio method was permitted under federal legislation. Other suggested methods, such as lump sum payments to beneficiaries and modification of plan terms (e.g. replacing inflation adjusted pension increases related to CPI by a fixed rate), cannot be accommodated under current legislation. OSFI informed the group that it will continue to monitor the CIA guidance and determine if alternative methods can be accommodated by the legislation.

OSFI also addressed recent developments at the CIA on Canadian-specific mortality experience. The results of initial studies indicate that Canadian pensioner mortality rates are lower than the rates in the table currently prescribed for solvency valuations, which are based on US experience. The ultimate outcome of the CIA's analysis will likely be a Canadian mortality table that, if adopted by the CIA, will be used for determining pension liabilities, for commuted value and funding purposes, resulting in an increase in liabilities. OSFI mentioned that administrators should consider the impact of longer life expectancy on their pension plans.

In addition, OSFI outlined the requirements and common deficiencies it observed related to plan registrations, plan terminations, asset transfer approval applications and benefit reduction authorization requests. Common deficiencies cited were incomplete submissions, unclear notification to members and missing documents. To reduce approval delays, OSFI is looking for plan administrators to follow relevant instruction guides and forms and to keep OSFI informed. Discussions with OSFI during the process are beneficial as it may make suggestions on changes to the application and can review draft member communications.

B.C. INTRODUCES POOLED REGISTERED PENSION PLANS

On February 28, 2013, the British Columbia government introduced Bill 16, the *Pooled Registered Pension Plans Act* (the "Act"). The Act will make B.C. the first province to legislate Pooled Registered Pension Plans (PRPPs). PRPPs were introduced for federally regulated employers in December 2012 and were summarized in the *January 2013* issue of *News & Views*.

The B.C. legislation is nearly an entire adaptation of the federal legislation. However, B.C. PRPPs will be regulated by the provincial regulator, the Financial Institutions Commission of British Columbia (FICOM). FICOM will likely develop its own policies and interpretations for PRPPs over time. Those policies could differ from those of the Office of the Superintendent of Financial Institutions Canada (OSFI), the federal regulator.

When the Act comes into force, PRPPs will be available to all workers in B.C., including the self-employed. However, the Act will not come into force until proclamation by the Lieutenant Governor. The date for proclamation is not yet known.

Like the federal legislation, the Act will not require employers to offer PRPPs to their employees and it will not require employer contributions to PRPPs.

If an employer decides to offer a PRPP, then its employees will be automatically enrolled; but, subject to certain rules, they will have the right to terminate their membership or to opt out of making contributions.

Given the voluntary nature of PRPPs, we do not expect them to play a major role in significantly expanding pension coverage, one of their stated objectives when the concept was first developed. However, we will continue to monitor the progress of this legislation in B.C., and in other provinces should it arise, and explore means for their implementation and use in the future.

Given that recently B.C. and Alberta have been coordinating efforts on their pension reforms, one might expect that Alberta may soon follow B.C.'s lead by introducing similar legislation for PRPPs.

NOVA SCOTIA ANNOUNCES A SOLVENCY FUNDING EXTENSION

On February 11, 2013 the Nova Scotia Department of Labour and Advanced Education relaxed the funding rules for private sector defined benefit pension plans, for the period between January 3, 2011 and January 2, 2014. Plan sponsors now have the option of taking 15 years, instead of 5 years, to fund any solvency deficiencies in their plans. Further, the regulation allows the commencement of required special payments to be deferred for one year after the valuation date.

Furthermore, plans will be considered to have solvency concerns if the actuarial valuation report indicates the ratio of the solvency assets to the solvency liabilities is less than 0.85, in which case actuarial valuations will be required annually rather than the normal 3 year period.

Employers that want to move to this 15-year period must notify the collective bargaining agents, eligible members, former (deferred) members and retired members. If no more than one third of plan members object to the extension in writing, then funding will be extended. If funding relief is extended, amongst other requirements for notices and progress reports, plan amendments during the one-year deferral period and the first 10 years of the 15 year extension must be pre-funded at the time of the amendment if the amendment increases the cost of pensions, or pension or ancillary benefits, creates or increases a going concern unfunded liability or creates or increases a solvency deficiency.

These changes follow the solvency relief that was recently granted in December 2012 for the defined benefit pension plans of police officers, municipal staff, university professors and staff, non-teaching staff in public schools, and other employees at government-funded agencies. In 2009, the province implemented similar solvency relief measures and allowed an extension to 10 year amortization for plan valuations done between the years 2008 and 2011, provided less than one third of the plan members objected.

The province anticipates these extensions of solvency funding will relieve financial pressure on employers and provide additional time for employers to manage their pension plans through the current environment of low interest rates.

ONTARIO: DISCLOSURE REQUIREMENTS FOR FINANCIAL STATEMENTS (PENSION PLAN OR PENSION FUND)

The Financial Services Commission of Ontario (FSCO) has published its guidance note with regards to disclosure requirements for financial statements of pension plans or pension funds (FSGN-001). This guidance note applies to fiscal years ending on or after July 1, 2013.

Accounting standards for pension plans are set out in Section 4600 of Part IV of the *CICA Handbook*. Since January 1, 2011, Section 4600 replaces Section 4100 in the previous version of the *CICA Handbook*. The guidance note specifies FSCO's expectations for disclosure with regards to four key items of Section 4600. Here are some of the highlights:

1 - STATEMENT OF CHANGES IN PENSION OBLIGATIONS

FSCO will accept pension plan or pension fund financial statements that are filed under section 76 of *Regulation 909, R.R.O. 1990*, which do not disclose pension obligations (as currently required in Section 4600), since the *Pension Benefits Act* specifies the requirements for determining and disclosing pension liabilities in actuarial valuation reports filed with FSCO. If that is the case, FSCO expects this to be disclosed in the financial statements.

2 - INTEREST IN A MASTER TRUST

If assets are held in a master trust, Section 4600 no longer allows the use of proportional consolidation or equity accounting for a pension plan's participation. Pension plans could present a single line item to report their investment assets as an interest in a master trust. It will be necessary to provide sufficient information (qualitative and quantitative) in order to understand the risks associated with a plan's or fund's investment in master trusts.

3 - CAPITAL MANAGEMENT (INCLUDING THE *STATEMENT OF INVESTMENT POLICIES & PROCEDURES* (SIP&P) AND CONTRIBUTIONS)

Pension plan administrators are required to disclose information concerning what they manage as capital and the value of such capital. They must also disclose information about the SIP&P, particularly on how the fund met the SIP&P objectives in managing the plan's capital assets (targets or benchmarks, asset mix target ranges). A disclosure must also be included on whether or not any required contributions were past due at the end of the period.

4 - FINANCIAL INSTRUMENTS: DISCLOSURES

Section 4600 requires that pension plan administrators measure all investment assets and liabilities at fair value. Disclosures required by IFRS 7 must also be provided for all investments in financial instruments ("FI"), such as a table presenting each type of investment assets and liabilities classified in the three-level measurement hierarchy of IFRS 7. A description of how fair value was determined must be included for all investments that are not FI. Sensitivity analyses must also be prepared for FI, as required by IFRS 7, and would encompass multiple types of risks:

- credit risk (credit ratings schedule of interest-bearing FI);
- liquidity risk (maturity analysis of interest-bearing FI);
- currency risk (sensitivity analysis for foreign currency denominated FI, i.e. 5% change in foreign currency exchange rate);
- interest rate risk (sensitivity analysis for interest-bearing FI, i.e. 1% change in the overall level of interest rates);
- equity prices risk (sensitivity analysis for equity FI, i.e. 10% change in the appropriate equity index benchmark).

It is also important to note that the application of FSGN-001 will vary depending on the size of the pension plan. The following table breaks down the requirements for three types of pension plans.

SIZE OF ASSETS AT YEAR END	AUDITOR'S REPORT REQUIREMENT	DISCLOSURE EXPECTATIONS
Less than $3 million	No	Compliance with sections 1 and 2 only
Between $3 million and $10 million	Yes	Compliance with sections 1 and 2 only
$10 million or more	Yes	Full compliance with all four sections

Although the required disclosures included in the guidance note could seem overwhelming at first glance, "*FSCO does not anticipate that the pension plan administrator will need to develop a new set of data or statistics, as the administrator can rely on information that was already provided internally to key management personnel.*"

For the full list of required disclosures, the FSGN-001 guidance note is available at the following website address: www.fsco.gov.on.ca/en/pensions/policies/active/Documents/FSGN-001.pdf

ACCOUNTING RULES FOR ENTITIES WITH RATE-REGULATED ACTIVITIES

Following its meeting on February 13, 2013, the Canadian Accounting Standards Board (AcSB) has extended again for one year, up to January 1, 2015, the deferral of the mandatory IFRS changeover date for entities with qualifying rate-regulated activities. The AcSB formalized the extension by issuing amendment to the *Introduction to Part I* of the *Handbook* in March 2013.

The AcSB had previously extended the changeover date to January 1, 2014 (see *News & Views*, October 2012), anticipating that the International Accounting Standards Board (IASB) would include entities with rate-regulated activities in its future agenda. Since then, the IASB decided in December 2012 to develop an interim IFRS on rate-regulated activities that "grandfathers" existing recognition and measurement policies for those entities that currently recognize regulatory assets or regulatory liabilities in accordance with their local accounting requirements. The IASB will soon publish an exposure draft proposing the interim IFRS.

Furthermore, the IASB decided to reactivate the comprehensive project on accounting for rate-regulated activities. A formal consultative group will be formed for the project because of the special nature of the subject and the need for industry expertise. The IASB is planning to publish a discussion paper on this subject later this year.

SUPREME COURT OF CANADA DECISION IN INDALEX

On February 1, 2013, the Supreme Court of Canada released its decision in *Sun Indalex Finance, LLC v. United Steelworkers* ("Indalex"). Very briefly, the case concerned whether the assets of an insolvent employer should be paid to a preferred secured creditor of the employer or to the employer's underfunded pension plans. The Supreme Court largely overturned the Ontario Court of Appeal's decision released in 2011. In summary, the Supreme Court concluded as follows:

1. The deemed trust under the Ontario *Pension Benefits Act* ("PBA") applies to a pension plan that is in the process of being wound up. The deemed trust extends to an employer's assets in an amount equal to the plan's full wind up deficiency, for the benefit of beneficiaries of the pension plan.
2. "Debtor-in-possession" ("DIP") loans may be granted priority over the PBA's deemed trust. A DIP loan is a form of interim financing extended to companies that are in the process of restructuring under the *Companies' Creditors Arrangement Act* ("CCAA").
3. The directors of Indalex failed to properly address a conflict of interest between their fiduciary duty to the corporation and their fiduciary duty to the pension plan beneficiaries. The conflict arose when the directors sought court approval of a DIP loan that would rank in priority to the claims of plan beneficiaries, without sufficient notice to the plan beneficiaries.
4. Even though Indalex breached its fiduciary duty, a "constructive trust" over the employer's assets that ranked in priority to other creditors, including the DIP lender, was not the appropriate remedy.

The decision has significant ramifications for employers seeking financing, if they contribute to Ontario-registered defined benefit pension plans. The decision may have implications for employers who sponsor pension plans elsewhere in Canada. Also, the decision affects employers who administer defined benefit plans and who are either insolvent or contemplating filing for creditor protection under the CCAA. In this regard, the decision provides some general guidance concerning when a conflict of interest may arise for an employer acting in the dual role of plan sponsor and plan administrator. The Supreme Court of Canada noted that any resolution of the conflict of interest has to fit the problem, and offered some suggestions, such as informing the CCAA judge or pension regulator of any potential conflicts, providing advance notice to plan beneficiaries, arranging for independent representation for plan beneficiaries, or, in some cases, seeking the appointment of an independent administrator.

BRITISH COLUMBIA *FAMILY LAW ACT*

On March 18, 2013, the British Columbia *Family Law Act* came into effect, governing, among other things, the division of pension plan assets upon marriage breakdown. This new Act affects how pension plan administrators handle marriage breakdowns for plan members who fall under the Act (generally residents of British Columbia) regardless of which jurisdiction the plan is registered under.

Unlike the old Act, common-law spouses are now automatically entitled to a share of the family assets, which include pension benefits. Also what's new are rules for dividing disability benefits and individual pension plans. What has changed are rules regarding the division of supplemental pension plans.

With respect to entitlements, the new Act not only introduces new options (in addition to the original options) available to the former spouse, such as starting a separate pension as soon as the plan member is eligible to retire, it also changes the way the commuted value of the former spouse's share of pension benefits is determined, which may result in a higher or lower commuted value, depending on the circumstances. Further changes allow the plan member to designate a new beneficiary for the portion of the benefits over and above the former spouse's entitlements (the member could not change the beneficiary without the former spouse's approval under the old Act).

With respect to administration, the new Act clarifies the administrator's duties and the timelines for performing these duties, and increases the maximum fees that may be charged for performing these duties. Further, all the forms required to be submitted to the administrator have been updated and some new ones added. There are also transition rules that address situations where the administrator received a claim against a plan member's pension prior to March 18, 2013.

Plan administrators with BC members would be well advised to review the Act and accompanying regulations to ensure their plans are in compliance. They should also assess their administrative practices to determine what changes are needed to the way they administer benefits under a marriage breakdown.

AS AT FEBRUARY 28, 2013

MARKET INDICES

The following table shows the Morneau Shepell monthly summary of returns from various market indices. It also includes returns from benchmark portfolios used by pension funds.

	RETURNS			
	Monthly	Quarter to date	Year to date	1 year
TSX GROUP/PC BOND INDICES				
DEX Universe Bond	1.0%	0.2%	0.2%	3.7%
DEX 91 Day Treasury Bill	0.1%	0.2%	0.2%	1.0%
DEX Short Term Bond	0.7%	0.7%	0.7%	2.6%
DEX Mid Term Bond	1.4%	0.8%	0.8%	4.8%
DEX Long Term Bond	1.1%	-1.0%	-1.0%	4.5%
DEX High Yield Bond	0.5%	1.4%	1.4%	12.9%
DEX Real Return Bond	-0.2%	-3.0%	-3.0%	-0.1%
CANADIAN EQUITY INDICES				
S&P/TSX Composite (Total Return)	1.3%	3.5%	3.5%	4.6%
S&P/TSX Composite Capped	1.3%	3.5%	3.5%	4.6%
S&P/TSX MegaCap	1.6%	3.8%	3.8%	4.7%
S&P/TSX 60 (Total Return)	1.7%	3.9%	3.9%	6.0%
S&P/TSX Completion	0.1%	2.5%	2.5%	0.6%
S&P/TSX Small Cap	-3.0%	-0.5%	-0.5%	-12.7%
BMO Small Cap Unweighted	-3.7%	-0.5%	-0.5%	-12.1%
BMO Small Cap Weighted	-2.6%	0.3%	0.3%	-8.1%
U.S. EQUITY INDICES				
S&P 500 (US$)	1.4%	6.6%	6.6%	13.5%
S&P 500 (C$)	4.8%	10.5%	10.5%	18.3%
FOREIGN EQUITY INDICES[1]				
MSCI ACWI (C$)	2.9%	8.0%	8.0%	14.1%
MSCI World (C$)	3.1%	8.7%	8.7%	15.5%
MSCI EAFE (C$)	1.9%	7.7%	7.7%	14.6%
MSCI Europe (C$)	0.1%	6.3%	6.3%	15.0%
MSCI Pacific (C$)	5.5%	10.4%	10.4%	14.4%
MSCI Emerging Markets (C$)	1.6%	3.4%	3.4%	5.0%
OTHER				
Consumer Price Index (Canada, January 2013)	0.1%	0.1%	0.1%	0.5%
Exchange Rate US$/C$	3.4%	3.7%	3.7%	4.2%
MORNEAU SHEPELL BENCHMARK PORTFOLIOS[2]				
60% Equity/40% Bonds	1.7%	3.7%	3.7%	7.5%
55% Equity/45% Bonds	1.6%	3.5%	3.5%	7.2%
50% Equity/50% Bonds	1.6%	3.2%	3.2%	6.9%
45% Equity/55% Bonds	1.5%	2.9%	2.9%	6.6%
40% Equity/60% Bonds	1.4%	2.6%	2.6%	6.3%

[1] Returns net of taxes on dividends, except for MSCI Emerging Markets.

[2] The returns are compounded monthly.

ASSET & RISK MANAGEMENT

In **Asset Management**, we provide objective advice on all aspects of asset management for pension funds, including investment policy statements, portfolio manager searches, investment performance measurement and investment strategy.

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In **Risk Management**, we provide a structured, comprehensive approach to pension risk management, including implementation of liability-driven investment strategies, advice on allocation of the risk budget within an asset-liability framework and execution of continuous and dynamic processes for risk reduction.

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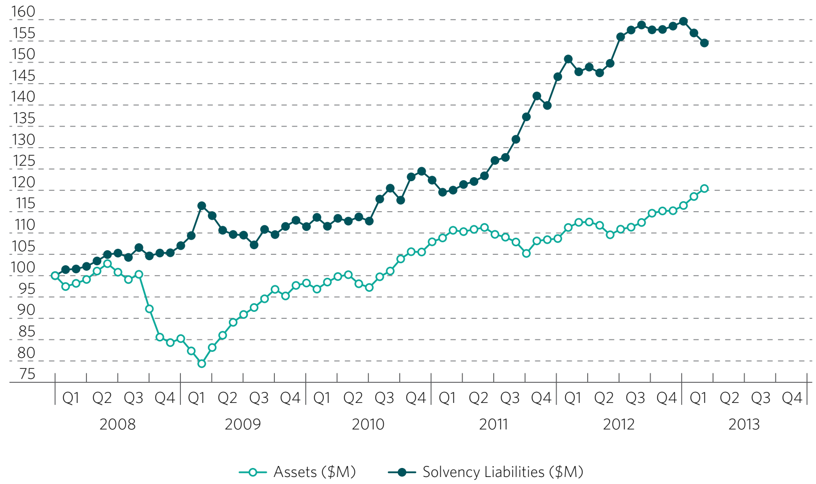
AS AT FEBRUARY 28, 2013

TRACKING THE FUNDED STATUS OF PENSION PLANS

This graph shows the changes in the financial position of a typical defined benefit plan since December 31, 2007. For this illustration, assets and liabilities of the plan were each arbitrarily set at $100 million as at December 31, 2007. The graph shows the impact of past returns on plan assets and the effect of interest rate changes on solvency liabilities.

THE EVOLUTION OF THE FINANCIAL SITUATION OF PENSION PLANS SINCE DECEMBER 31, 2007



In February 2013, assets rose while liabilities decreased. Due to positive returns in Canadian and most international equity markets, assets increased by 1.6% to about $120.4 million. Annuity purchase rate slightly decreased while bond yields used in the calculation of solvency liabilities rose, which caused liabilities to decrease by 1.5% to $154.5 million. The combined result was that the deficit has decreased this month to $34.1 million, its lowest level since November 2011.

Since the beginning of the year, the funded status of this typical pension plan has improved. The deficit has decreased by $9.1 million and the solvency ratio rose to 77.9% (compared to 73.0% as at December 31, 2012).

Please contact your Morneau Shepell consultant for a customized analysis of your pension plan.

CANADA BOND YIELDS

	YIELD (CLOSING)		CHANGE 2013
	DEC. 2012	FEB. 2013	
Overnight rate target	1.00%	1.00%	0 bp
3 months	0.92%	0.95%	3 bps
2 years	1.14%	0.96%	-18 bps
5 years	1.38%	1.28%	-10 bps
7 years	1.55%	1.50%	-5 bps
10 years	1.80%	1.84%	4 bps
30 years	2.36%	2.52%	16 bps

Source: Bank of Canada

Comments:

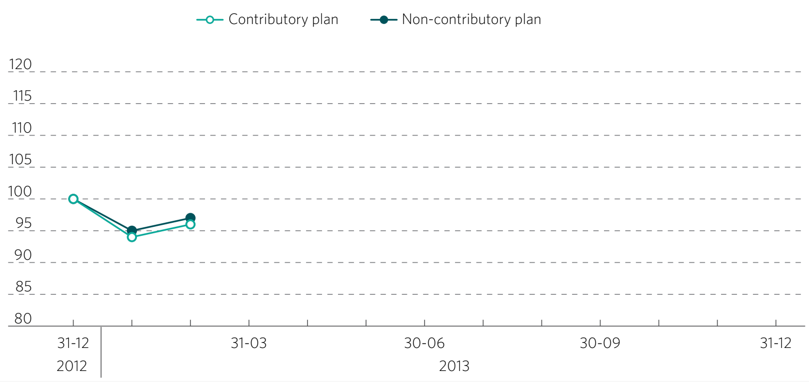
1. No consideration has been made for contributions paid to the plan or for benefits paid out of the plan.
2. Solvency liabilities are projected using the rates prescribed by the Canadian Institute of Actuaries for the purpose of determining pension commuted values. Early application of the 2009 standards is not reflected.
3. The underlying typical defined benefit plan is a final average plan with no pension indexing.
4. Solvency liability calculations take into account revised CIA guidance on the solvency valuation assumptions (annuity proxy).
5. Assets are shown at full market value. Returns on assets are based on those of the Morneau Shepell benchmark portfolio (55% equities and 45% fixed income).

IMPACT ON PENSION EXPENSE UNDER INTERNATIONAL ACCOUNTING

Every year, companies must establish an expense for their defined benefit pension plans.

The following graph shows the expense impact for a typical pension plan that starts the year at an arbitrary value of 100 (expense index). The expense is influenced by changes in the discount rate based on high-quality corporate and provincial (adjusted) bonds and the median return of pension fund assets.

EXPENSE INDEX FROM DECEMBER 31, 2012



(In %)			
Discount rate	3.7	3.9	3.8
Return on assets (55% equities)	n/a	1.8	1.6

The pension expense has decreased by 4% (for a contributory plan) since the beginning of the year, due to the increase in the discount rate, and a return on asset that has exceeded expectations since December 31, 2012.

The table below shows the discount rates for varying durations and the change since the beginning of the year. A plan's duration generally varies between 10 (mature plan) and 20 (young plan).

DISCOUNT RATE

DURATION	DECEMBER 2012	FEBRUARY 2013	CHANGE IN 2013
11	3.61%	3.61%	0 bp
14	3.80%	3.83%	3 bps
17	3.92%	3.98%	6 bps
20	4.00%	4.07%	7 bps

Please contact your Morneau Shepell consultant for a customized analysis of your pension plan.

Comments:

1. The expense is established on the basis of the revisions made to IAS 19, applicable on January 1st , 2013. The key change concerns the finance cost on plan assets which is now calculated with the discount rate instead of the expected return on plan assets. For more information, please refer to the *News & Views* of July 8, 2011.
2. Please note that the discount rates shown reflect the educational note published by the Canadian Institute of Actuaries entitled *Accounting Discount Rate Assumption for Pension and Post-employment Benefit Plans* (September 2011).
3. The expense is established as at December 31, 2012, based on the average financial position of the pension plans used in our *2012 Survey of Economic Assumptions in Accounting for Pensions and Other Post-Retirement Benefits* report (i.e. a ratio of assets to obligation value of 83% as at December 31, 2011).
4. The return on assets corresponds to the return on the Morneau Shepell benchmark portfolio (55% equities and 45% fixed income).
5. The actuarial obligation is that of a final average earnings plan, without indexing (two scenarios: with and without employee contributions).

ABOUT US

Morneau Shepell is the largest Canada-based human resource consulting and outsourcing firm focused on pensions, benefits, employee assistance program (EAP) and workplace health management and productivity solutions. We offer business solutions that help our clients reduce costs, increase employee productivity and improve their competitive positions by supporting their employees' financial security, health and well-being.

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