

Record of Advice

Advisory Committee Meeting #31

2011 06 02

On a motion by Monica Girouard, seconded by Shirley Raab, the Advisory Committee recommended that the audited financial statements for the year ending December 31, 2011 be approved.

On a motion by Martin Hajek, seconded by Shirley Raab, the Advisory Committee recommended that Part II be selected as the basis for accounting effective January 1, 2011.

It was the consensus of the Advisory Committee that vested benefits should be locked-in, subject to small benefit rules or other statutory provisions that permit unlocking.

On a motion by Monica Girouard, seconded by Shirley Raab, the Advisory Committee recommended that the Plan Text not be amended to change the threshold for mandatory enrolment in Manitoba from 25 per cent of the YMPE over two consecutive calendar years to 700 hours or 35 per cent of the YMPE.

On a motion by Darren Leclair, seconded by Monica Girouard, the Advisory Committee recommended that the Canadian Blood Services Board of Directors amend the Plan Text as revised in the [meeting] discussion.

Section 1.37 of the Plan Text will be amended to revise the definition of spouse in Ontario to more closely track the language used in the Ontario Pension Benefits Act.

Section 1.40 will be amended to comply with the requirement for immediate vesting in Manitoba, effective May 31, 2010; to comply with the requirement for immediate vesting for members under federal jurisdiction (the Territories) effective July 1, 2011; and to provide for immediate vesting for all members effective on the date that immediate vesting is required under Ontario legislation.

Section 3.1 will be amended to change the definition of continuous service in Manitoba to provide that there is no cessation of active membership if there is a break in service of up to 54 weeks and the employee is expected to return to the employer.

Section 7.1(a) will be amended to add “subject to any requirements and restrictions under Applicable Pension Laws and Revenue Rules” in 7.1(a)(i) and (ii).

Section 7.1(b) will be amended to harmonize the benefit for Manitoba members

with the rules for members in other jurisdictions concerning the amount of the spousal survivor benefit and to indicate that any waiver must comply with the requirements of Applicable Pension Laws.

Section 7.4 will be amended as revised during the meeting to permit but not require the pay out of small benefits.

Section 7.5 will be amended as revised during the meeting to permit members in Manitoba to access their Retirement Account in case of shortened life expectancy (including deletion of references to actuarial equivalence, which is not applicable to a defined contribution pension plan).

Section 7.7 will be amended to allow for non-resident unlocking for Manitoba members, consistent with the plan rules for other jurisdictions in Canada that permit non-resident unlocking.

Section 7.6 will be amended to permit an amount payable to a member as a lump sum to be transferred to an RRSP to the extent permitted under the *Income Tax Act* (Canada) for members in all jurisdictions. This is now required under Manitoba legislation and in some but not all other jurisdictions. The amendment will extend this option to members in all jurisdictions.

Paragraph 4 of Schedule A will be amended to comply with the definition of spouse in Manitoba with respect to a death benefit.

On a motion by Martin Hajek, seconded by Monica Girouard, the Advisory Committee recommended that Mercer be requested to research value managers as alternatives to Jarislowsky Fraser and to provide an analysis of the pros and cons of lifecycle funds including the development of a customized glide path based on the nine-box investment direction matrix as an alternative to a separate lifecycle fund.

Advisory Committee Meeting #32

2011 08 25

On a motion by Robert Hannah, seconded by Monica Girouard, the Advisory Committee recommended that Mercer be directed to conduct the Canadian Equity manager search as proposed, at a cost of \$6,500 - \$7,500 and report to the Committee at the December 2011 meeting.

On a motion by Robert Hannah, seconded by Monica Girouard, the Advisory Committee recommended that Mercer be directed to review target date fund options in two steps, the first being to provide the educational review of risks and consideration and to review and report on the capacity of Morneau Shepell to offer a customized approach based on the 9-

box matrix at a cost of \$4,000 - \$7,000; if this approach is not workable, the Advisory Committee will consider whether to look at off-the-shelf options.

Advisory Committee Meeting #33

2011 12 01

On a motion by Monica Girouard, seconded by Martin Hajek, the Advisory Committee recommended approval of a plan expense budget of \$833,297 for 2012.

On a motion by Robert Hannan, seconded by Shirley Raab, the Advisory Committee recommended maintaining the fee paid to Canadian Blood Services in reimbursement of expenses paid on behalf of the Plan at \$10 per member per month for 2012.

On a motion by Monica Girouard, seconded by Robert Hannah, the Advisory Committee recommended that the plan charge a fee of up to \$200 for a complex pension value calculation in respect of division of assets on marriage breakdown subject to the Ontario Pension Benefits Act, with the amount of the fee charged not to exceed the cost charged by Morneau Shepell.

On a motion by Shirley Raab, seconded by Martin Hajek, the Advisory Committee recommended that the plan not be amended to permit the spouse to leave the spouse's share of the pension in the plan.