



# Actuarial Valuation as at July 1, 2020 for University of Toronto Supplemental Retirement Arrangement

November 2020

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# Preparation of this Actuarial Valuation

## University of Toronto Supplemental Retirement Arrangement

This material has been prepared primarily to present the current obligations of the University of Toronto Supplemental Retirement Arrangement (the "SRA") as of July 1, 2020.

In conducting the valuation, we have used personnel information provided by the University of Toronto as of July 1, 2020, and the actuarial assumptions and methods described in the actuarial assumptions section of this report.

For the purposes of this valuation, it is our opinion that:

- The data on which the valuation is based are sufficient and reliable;
- The assumptions used are appropriate; emerging experience differing from the assumptions will result in gains or losses which will be revealed in subsequent valuations; and
- The actuarial methods used are appropriate.

This report and its associate work have been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.



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## Valuation Results

The going concern actuarial valuation of the SRA is prepared based on the same actuarial assumptions and methods used for the going concern actuarial valuation of the University of Toronto Pension Plan (the "Pension Plan") with the exception that no provision for adverse deviation is applied to the plan liabilities.

	As of July 1, 2020	As of July 1, 2019
<b>Going Concern Valuation Results Past Service</b>		
Accrued Liability		
Active members	\$ -	\$ -
Retirees and beneficiaries	<u>122,683,000</u>	<u>124,569,000</u>
Total	\$ 122,683,000	\$ 124,569,000

## Personnel Information

### Source of Data

The valuation was based on personnel data for members of the Pension Plan, supplied by the University as of July 1, 2020.

### Personnel Characteristics—Retirees and Beneficiaries

Following are some pertinent characteristics of the retirees and beneficiaries who are receiving an SRA benefit as of July 1, 2020. Corresponding data for prior valuations is shown for comparison.

	<b>Number</b>	<b>Average Age</b>	<b>Average Monthly Benefit</b>
July 1, 2020	1,039	80.4	\$ 947
July 1, 2019	1,060	79.5	\$ 925
July 1, 2018	1,070	78.8	\$ 897
July 1, 2017	1,086	78.0	\$ 885
July 1, 2016	1,092	77.1	\$ 879
July 1, 2015	1,103	76.3	\$ 869
July 1, 2014	1,110	75.4	\$ 861
July 1, 2013	1,064	74.8	\$ 858
July 1, 2012	1,041	74.1	\$ 879
July 1, 2011	964	73.8	\$ 897
July 1, 2010	935	73.2	\$ 890
July 1, 2009	893	72.8	\$ 890
July 1, 2008	823	72.6	\$ 877
July 1, 2007	829	71.9	\$ 868
July 1, 2006	799	71.4	\$ 837
July 1, 2005	767	70.9	\$ 778
July 1, 2004	679	70.8	\$ 731
July 1, 2003	620	71.1	\$ 560

# Plan Provisions

## Plan Establishment

The SRA was established effective July 1, 1996, to provide eligible members of the Pension Plan with additional retirement income to compensate for the limitations prescribed under the regulations to the *Income Tax Act* (Canada) on the amount of lifetime retirement benefits payable from a registered pension plan.

As of July 1, 2016, the maximum salary recognized for the purpose of determining benefits under the Pension Plan does not result in pension benefits which exceed the *Income Tax Act* maximum pension. As such, active members no longer accrue benefits under the SRA.

The SRA is not required to be, and shall not be, registered with the federal government or any provincial government.

<b>Effective Date</b>	July 1, 1996
<b>Eligibility</b>	As of July 1, 2016, the maximum salary recognized for the purpose of determining benefits under the Pension Plan does not result in pension benefits which exceed the <i>Income Tax Act</i> maximum pension. As such, active members no longer accrue benefits under the SRA.
<b>Form of Payment of Retirement Benefits</b>	The retirement pension payable from the SRA is paid in the same manner and in the same form of payment as the annual pension payable to the member from the Pension Plan.
<b>Cost-of-Living Adjustments</b>	The retirement pension payable from the SRA shall be adjusted at the same time, and in the same manner and in the same percentage as the cost-of-living adjustments and other augmentations that are applied to the member's pension payable from the Pension Plan.

## Going Concern Assumptions and Methods

The actuarial assumptions and methods used for this actuarial valuation are summarized below and are the same as those used for the actuarial valuation as of July 1, 2020 for the Pension Plan. The rationale for the assumptions is described in the July 1, 2020 actuarial valuation report for the Pension Plan.

	July 1, 2020	July 1, 2019
<b>Economic Assumptions</b>		
Discount rate	5.35% per year	5.55% per year
Increase in Consumer Price Index	1.75% per year	2.00% per year
Cost-of-living adjustment	1.3125% per year	1.50% per year
Expenses and margin for adverse deviation	Reflected in discount rate	Same
<b>Demographic Assumptions</b>		
Mortality table	95% of 2014 Canadian Public Sector Pensioners' Mortality Table, combined with mortality improvement Scale MI-2017 (sex-distinct rate)	2014 Canadian Public Sector Pensioners' Mortality Table, combined with mortality improvement Scale MI-2017 (sex-distinct rate)
Retirees marital status	Actual marital status and ages are used	Same
<b>Methods</b>		
Actuarial cost method	Unit credit cost method	Same

## About Aon

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