



## KEEPING PACE WITH CHANGE

### *A message from your Trustees*

Pension plans are designed to operate for a very long time, yet the environment they operate in is constantly changing. Every year, the state of investment markets, both globally and in Canada, impacts your Plan's investment performance and its funding.

That's where the Board of Trustees comes in: to manage the Plan in the best interests of our members. Good pension plan management means keeping a close eye on developments in the pension world, understanding how they may impact the Plan's financial health and adjusting our strategy as needed to ensure the Plan can continue to fulfil its pension promise.

From an investment standpoint, 2017 was a good year. The Plan's investments earned a net return of 8.9% (after investment fees and expenses) – well above your Plan's target net investment return of 6.5% a year. Due to expectations of lower future investment returns, we've decreased this target return to 6.35% a year going forward.

The actuarial valuation is an important tool the Trustees use to understand the Plan's financial health. As we've previously explained, the Trustees use two tests to measure your Plan's health: going concern and solvency.

1. The **going concern** test assumes the Plan will continue to operate for years to come. According to the January 1, 2018 valuation, the NHRIPP remains fully funded on a going-concern basis. That's good news for our members, as this measure is an important indicator of your Plan's sustainability.
2. The **solvency** test assumes the Plan was terminated on the valuation date and had to pay out all pension benefits immediately. If your Plan had ended on January 1, 2018, it would have had enough money to pay out 63.8% of all benefits – up slightly from 63.2% a year earlier. Under current pension legislation, the NHRIPP is not required to fund on a solvency basis. Nor is it expected to terminate in the foreseeable future.

Given your Plan's current financial position, we aren't required to do another valuation until 2021.

In this issue of *NHRIPP Now*, you will find more updates on your Plan's activities, as well as answers to some of your frequently asked questions and a reminder of the crucial role InBenefits plays in administering your Plan.

*Si vous préférez recevoir ce bulletin en français, veuillez communiquer avec EnAvantage.*

#### BY THE NUMBERS

 **8.9%**

Your Plan's net investment  
return in 2017

 **4%**

Increase in active  
membership in 2017

 **100%**

Going-concern funded  
level at January 1, 2018

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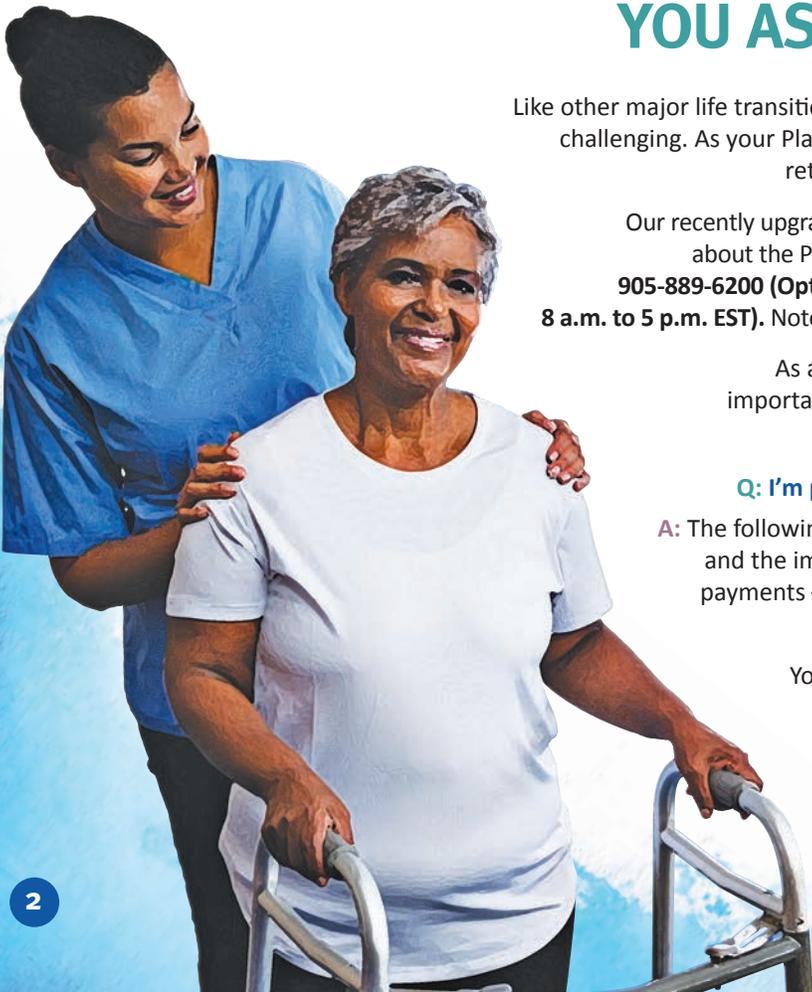
*Key responsibilities and recent initiatives*



# FUND FACTS

The latest look at how your Plan is growing

SUMMARY OF PLAN ACTIVITY	
<b>MARKET VALUE AT START OF 2017</b> \$1,614,904,000	
<b>MONEY IN</b> Contributions <b>\$104,431,000</b> Investment gains <i>(after fees have been deducted)</i> <b>\$141,435,000</b>	<b>MONEY OUT</b> Pension and benefit payments <b>\$58,898,000</b>
<b>MARKET VALUE AT END OF 2017</b> \$1,801,872,000	



## YOU ASKED – WE ANSWERED

Like other major life transitions, the path to retirement can be long and sometimes challenging. As your Plan’s administrator, the role of InBenefits is to make your retirement journey as smooth and worry free as possible.

Our recently upgraded Call Centre is available to respond to your questions about the Plan quickly and efficiently. We encourage you to call us at **905-889-6200 (Option 1)** or toll-free at **1-800-287-4816 (Monday to Friday, 8 a.m. to 5 p.m. EST)**. Note that your call will be recorded to ensure quality control.

As a member of the Plan, your questions and concerns are important to us. Below are answers to a few of your frequently asked questions about transitioning to retirement.

**Q: I’m planning to retire soon. How will my pension be paid?**

**A:** The following tables show the different types of pensions available and the impact your choice of pension will have on your monthly payments – assuming you and your spouse are age 65 and you’ve accrued a pension of \$500 a month from the Plan.

Your actual monthly pension will be based on the benefit you have earned (past service pension plus current service pension), and the ages of you and your spouse (if you have one) at retirement.

If you don't have a spouse (or your spouse waives his/her right to a survivor pension)...		
Option	Description	Monthly payment
Lifetime pension (no minimum number of payments)	Pension is paid for your life only. Monthly payments end when you die, and no further payments will be made by the Plan following your death.	\$504
Lifetime pension (at least 5 years of payments)	Pension is paid for your life. If you die before receiving 60 monthly payments, your beneficiary or estate will receive the current value of the outstanding payments, and no further payments will be made by the Plan.	\$500
Lifetime pension (at least 10 years of payments)	Pension is paid for your life. If you die before receiving 120 monthly payments, your beneficiary or estate will receive the current value of the remaining payments, and no further payments will be made by the Plan.	\$492
Lifetime pension (at least 15 years of payments)	Pension is paid for your life. If you die before receiving 180 monthly payments, your beneficiary or estate will receive the current value of the outstanding payments, and no further payments will be made by the Plan.	\$481

If you have a spouse when you retire...			
Option	Description	Paid to you each month	Paid to your spouse each month after your death
50% spousal pension (with a signed waiver)	Pension is paid for your life, with 50% of your pension continuing to your spouse for his/her lifetime after you die.	\$480	\$240
60% spousal pension	Pension is paid for your life, with 60% of your pension continuing to your spouse for his/her lifetime after you die.	\$475	\$285
75% spousal pension	Pension is paid for your life, with 75% of your pension continuing to your spouse for his/her lifetime after you die.	\$469	\$352
100% spousal pension	Pension is paid for your life, with 100% of your pension continuing to your spouse for his/her lifetime after you die.	\$458	\$458

Keep in mind, you can't change the type of pension once you start receiving it. Make sure you take the time to fully understand your options before you decide.

**Q: How long will the Plan provide me with a pension?**

**A:** You'll receive a pension from the NHRIPP for the rest of your life, regardless of which type of pension you choose. As indicated above, payments will then continue to your spouse (if you have one); if that right is waived (by providing InBenefits with a signed waiver form), the current value of any remaining payments will be paid to your designated beneficiary or estate. Note that the amount of your pension may increase or decrease depending on the financial health of your Plan during your retirement.

**Q: My spouse has his/her own pension. Do I still have to choose a payment option from the NHRIPP that provides survivor benefits to my spouse if I die first?**

**A:** Ontario law says you must choose a form of pension that provides a continuing amount of at least 60% of your pension to your spouse after your death, unless he/she waives this right. (This is different from the waiver for pre-retirement death benefits.) If your spouse provides a signed waiver to InBenefits before your pension begins, you may select any of the lifetime pensions. We strongly recommend that your spouse speak with a qualified, independent financial adviser or lawyer before waiving the right to a survivor pension.



# THE ROLE OF INBENEFITS

## Key responsibilities and recent initiatives

Managing a pension plan involves many different stakeholders, who all play a role in keeping the plan strong and ensuring it can maintain the pension promise for the long term. One important stakeholder is InBenefits, the Plan administrator.

The main role of InBenefits (formerly known as the Fund Office) is to look after the Plan's day-to-day administration, including record-keeping, processing retirement benefit applications and answering members' questions.

Recently, InBenefits has been working on making it easier (and more user friendly) for members to find Plan information and resources. Ongoing initiatives include replacing the current administration system with a new state-of-the-art one, updating the websites of the plans it administers and offering "on demand," 24/7 access to enhanced online tools for both Plan members and employers. It's all part of InBenefits' evolution and mission to create a culture dedicated to its four pillars of service: *Integrity, Innovation, Commitment and Excellence.*

### More information sessions coming your way!

We want to make sure you have all the information you need to understand your Plan and maximize its value. For that reason, InBenefits is planning to re-introduce its Regional General Information Sessions. More details to come!

## KEEP IN TOUCH

*Got a question about your Plan? Contact us!*



Email: [information@nhripp.ca](mailto:information@nhripp.ca)



In Toronto: 905-889-6200 (Option 1)  
Outside Toronto: 1-800-287-4816



Fax: 905-889-7313



Address: Nursing Homes and Related Industries Pension Plan c/o InBenefits  
105 Commerce Valley Drive West, Suite 310  
Thornhill, Ontario L3T 7W3



You can also access Plan information online anytime at [www.nhripp.ca](http://www.nhripp.ca)



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### Final word

This newsletter provides summary information about the Nursing Homes and Related Industries Pension Plan in simple terms. It is not intended to be comprehensive or to provide advice. If there are any differences between the information provided in this newsletter and the legal documents that govern the Plan, the legal documents will apply. In accordance with applicable legislation, the NHRIPP Trustees may modify the Plan rules at any time, including changing benefit amounts, the types of benefits offered, the eligibility requirements and terminating the Plan.