We’re all familiar with the image of a fortune teller gazing into a crystal ball in an attempt to predict the future. In a perfect world, we’d all have a device that offered a clear picture of what will happen down the road.

Unfortunately, your Plan’s Trustees don’t have a crystal ball. But recently, our actuary has been helping us look at what the future might hold for the NHRIPP. We’ve been reviewing a range of trends and events to gauge their possible impact on the Plan – and to test the Plan’s ability to withstand various negative scenarios.

Many things that could have the biggest impact on the Plan are beyond our control – things like economic correction, interest rates, and improvements in life expectancy. For example, we know that Canadians, including NHRIPP members, are living far longer than they used to – and that many experts expect this trend to continue. For a plan like the NHRIPP that pays pensions for life regardless of how long members live, this means that pension costs are higher than ever and will likely continue to increase. The Trustees need to know how much money the Plan will need to be able to pay pensions for longer periods. We also need to understand how this ties into the Plan’s investment strategy. Here’s why.

The average age of NHRIPP members is now 46. Most members join the Plan later in life, and many members may work and contribute to the Plan for far fewer years than they will collect a pension. Any drop in investment markets can wipe out a big chunk of the money needed to pay pensions. This means adopting an investment strategy for the NHRIPP which reduces the chances of investment losses.

Testing different “What if?” scenarios takes time and expertise. But it gives your Trustees an important glimpse into the future, and helps us to provide the best possible stewardship to your Plan.
CHEERS TO MORE YEARS!

How long will you live? Here are some hints

No matter how much we love our job, most of us spend a big part of our working years dreaming of retirement. Those precious post-work years will give us more time to spend with family, explore new hobbies, travel to interesting places and cross off some of the things on our “bucket list.”

The good news is that medical advances are helping us live longer – and healthier – than ever before. Over the past few decades, the average life span of Canadians has increased, which means many of us will be able to count on many years of retirement.

As you read on page 1 of this newsletter, that’s a challenge for pension plans like yours. As members collect pensions for more years than they did in the past, the cost of providing those pensions increases. Rest assured, your Plan’s Trustees and their advisors are working together to keep the Plan financially healthy for many years to come.

Wondering how many years of retirement you’ll be able to enjoy? The stats to the right will help give you an idea.

THREE THINGS TO KNOW ABOUT YOUR PENSION STATEMENT

Statements are mailed out by the Fund Office in June each year – you should receive yours soon. If you don’t, contact the Fund Office. Here are three important things to know about your statements:

1. You will be given credit for contributions only if they are actually received by the Fund Office. Your statement outlines all contributions made by you and your employer. So it’s important to check it against your pay stubs to ensure your contributions have been received and have been correctly credited to you.

2. Your statement shows the amount of pension you have accumulated so far. This gives you an important yearly look at how your pension is growing.

3. The Fund Office can’t send your statement if they can’t find you. If you move, it’s important to let the Fund Office know right away so it can update its records. You’ll find contact info on page 3.

Remember: Your pension is paid for at least as long as you live.

The average Canadian’s life span has increased about five years since the NHRIPP was created

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Life Span</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>77 years</td>
</tr>
<tr>
<td>2013</td>
<td>82 years</td>
</tr>
</tbody>
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There are 9 female NHRIPP members for every 1 male member

Canadian females live an average of four years longer than males

If you’re age 65 TODAY you can expect to live to an average age of 88
YOUR QUESTIONS, ANSWERED

Need info on your Plan? We’re here to help!

A recent Pulse survey on www.nhripp.ca asked what you wanted to know about your Plan. Many of you responded with good questions. Our administration team at the Fund Office also hears from Plan members every day about things they want to know more about.

We’re committed to making sure you have the information you need about your Plan. On this page, you’ll find answers to some of the great questions you’ve asked – and we’ll continue to answer your questions in future issues.

What happens to my pension if I become disabled and can’t work?

If you are receiving disability benefits from the Workplace Safety and Insurance Board due to a work-related injury that happened while working for a contributing employer, the Plan will pay your employer’s contributions for up to 12 months. Contributions will be based on your average weekly pay and the contribution rate in effect in the last four weeks you worked. You can also choose to make employee contributions to the Plan during your absence through the self-payment option. If your injury is not work-related, no contributions will be made on your behalf. But you may choose to make self-payments to keep your pension growing. Please contact the Fund Office to get the forms that need to be completed to make self-payments.

How do I retire early?

You can retire from the Plan as early as age 55. Keep in mind that your pension will be reduced by approximately 6% for each year you start to collect your pension before age 65. Your pension will be paid monthly, starting on the first day of the month after you stop working. You should let your employer and the Fund Office know two to three months before the date you plan to stop working, so that the paperwork can be completed before that date. Otherwise, you may see a delay between your last work day and the start of your pension.

What happens to my pension if I move out of Canada?

The Fund Office can pay your pension to you whether you live in Canada or anywhere else in the world. Contact the Fund Office for more information about your specific situation. If you move to another province or country, it is very important that you keep the Fund Office informed of any changes in your address, personal information or banking information if you are receiving your pension by direct deposit.

Can I move my NHRIPP pension to another plan?

If your Plan membership ends before you reach age 55, you have the option to transfer the current – or “commuted” – value of your NHRIPP pension to another pension plan, if that plan accepts such transfers. You can also leave your benefits in the Plan until you retire and are ready to start your pension.

Trustee Spotlight: Ricardo McKenzie

- SEIU Sector Service Manager (LTC)
- Appointed as NHRIPP Trustee in 2011
- Member of the NHRIPP Investment Committee

Why did you get involved as an NHRIPP Trustee?

I got involved because of my passion for making a positive difference in people’s lives, and for learning new things.

KEEP IN TOUCH

Got a question about your Plan? Contact us!

Email: information@nhripp.ca
In Toronto: 905-889-6200
Outside Toronto: 1-800-287-4816
Fax: 905-889-7313

You can also visit us online anytime at www.nhripp.ca.
A look at other possible sources of retirement income

As a rule of thumb, retirement planning experts suggest you’ll need to replace 60-80% of your pre-retirement income. But you may need more or less than that, depending on things like your age at retirement, your retirement lifestyle, your life expectancy, inflation and interest rates.

Many NHRIPP members will draw most of their retirement income from a combination of their NHRIPP pension and government benefits such as the Canada Pension Plan (CPP), Old Age Security (OAS) and Guaranteed Income Supplement (GIS). See your Plan booklet or www.nhripp.ca for more information on your pension and government benefits. Any additional income you need will likely come from personal savings, which you can build up a number of different ways. Here are some key points on how each of these personal savings options can fit together.

Registered Retirement Savings Plan (RRSP)

- You can open an RRSP at any major Canadian financial institution.
- As with a TFSA, you are responsible for making contributions to your RRSP, and deciding how to invest those contributions.
- Contributions are deducted from your before-tax pay and help to reduce the amount of income tax you will have to pay in the year that they are deducted.
- Money in your RRSP – including investment income – grows tax-free.
- You can withdraw money from your RRSP at any time – but the money you withdraw will be taxed as income (unless withdrawals are made as part of the Home Buyers’ Plan or Lifelong Learning Plan). However, if your income at the time you make RRSP withdrawals is lower than it was when you made your contributions, you’ll pay less tax on this money.
- Withdrawals are counted as income, so they may reduce your income-tested government benefits such as OAS and GIS.

Tax-Free Savings Account (TFSA)

- You can open a TFSA at any major Canadian financial institution.
- You are responsible for making contributions to your TFSA, and deciding how to invest those contributions.
- Contributions are not tax-deductible. However, any investment income earned on the money in your TFSA is tax-free.
- You can withdraw money from your TFSA at any time. Any money you withdraw from your TFSA – including investment income – will not be taxed as income.
- Withdrawals are not counted as income, so they will not reduce income-tested government benefits such as OAS and GIS.

How much can I save?

- Your 2015 RRSP contribution limit will be listed on the 2014 Notice of Assessment you receive from the Canada Revenue Agency (CRA). The limit is calculated as follows: 18% of your 2014 earnings (to a maximum of $24,930) + Unused RRSP contribution room from previous years – Your Pension Adjustment (PA) for 2014
- Your PA is equal to the total contributions made by you and your employer to the NHRIPP; it is reported on your annual T4 slip
- Your 2015 TFSA contribution limit is calculated as follows: $10,000 (the new annual TFSA limit as of 2015) + Unused contribution room from previous years
- A maximum of $41,000 in TFSA contribution room is available as of 2015

Other income sources

- You can also save in a non-registered account, like a regular savings account at your bank. However, you won’t get the tax benefits of RRSP or TFSA.
- If you own your home and choose to sell it and downsize, the money you make from the sale can be used to help fund your retirement.

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.