



NHRIPP

NURSING HOMES AND RELATED INDUSTRIES PENSION PLAN

Caring for your Retirement

NOVEMBER 2021

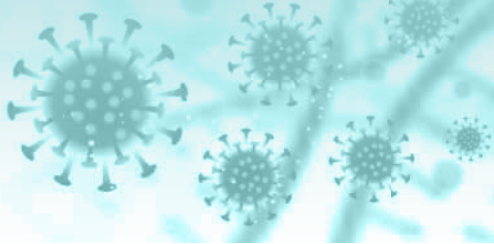
NHRIPP NOW



COVID-19 UPDATE

All visitors to the InBenefits office will be asked to show proof of full vaccination and to answer COVID-19 screening questions before entering the premises.

When in the office, visitors must comply with COVID-19 protocols which include social distancing and wearing a mask.



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CHALLENGING TIMES, BUT ENCOURAGING SIGNS

A message from your Trustees

As 2021 draws to a close, we are seeing some light at the end of the "pandemic tunnel". Borders are reopening, large gatherings are being permitted and employees are gradually returning to their workplaces. While we are not suggesting that the pandemic is over, it is encouraging to see certain aspects of our lives returning to normal. We owe a huge debt of gratitude to our health care and other front-line workers for doing much of the heavy lifting throughout the pandemic.

The end of the year is a good time to review the past year and look ahead to the future. The NHRIPP filed an actuarial valuation in September that showed the Plan was fully funded on a going-concern basis on January 1, 2021. The going-concern valuation is a key test of your Plan's financial health and assumes contributions will continue to come into the Plan and members will continue to receive their pensions for years to come.

The NHRIPP is now funded on a going-concern basis. The funding rules for multi-employer pension plans are changing as mentioned in our previous newsletter. Several provinces have already passed legislation which forces multi-employer pension plans registered in those provinces to be more conservative by requiring them to set aside margins for a rainy day. Ontario is expected to make similar changes to its pension legislation within the next few years. Requiring these larger margins means these "rainy day" funds will not be available to pay pensions.

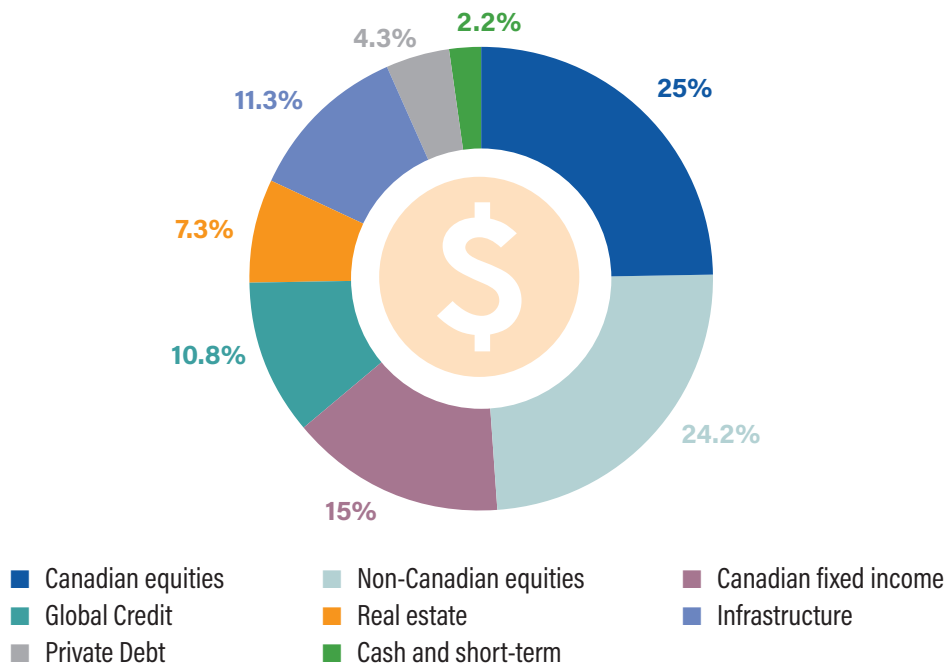
Another challenge for pension plans is the volatility of the financial markets. While the NHRIPP's year-to-date investment return to September 30, 2021 was 8.1%, there is concern about future returns due to rising interest rates, slowing economic growth, and the high price of stocks. We recently undertook an asset liability study to help determine an optimal asset mix for the Plan's investments. The Plan's asset mix was revised based on the results of that study and the Plan's assets are now being redeployed accordingly.

We continue to remain vigilant and focused on the sustainability of the Plan for years to come.

We wish you and your loved ones a safe holiday season and a very happy new year!

YOUR PLAN'S ASSETS

How your Plan's assets are invested.



Who manages your Plan's assets

- BentallGreenOak
- BlackRock Inc.
- Burgundy Asset Management
- CBRE Global Investment Partners
- Connor, Clark & Lunn Investment Management Ltd.
- Fidelity Investments Canada
- Global Alpha Capital Management
- Hillsdale Investment Management Inc.
- J.P. Morgan Asset Management
- Leith Wheeler Investment Counsel Ltd.
- Macquarie Infrastructure and Real Assets
- Northleaf Capital Partners
- PIMCO Canada
- State Street Global Advisors
- Walter Scott & Partners Ltd.

Investing responsibly

Environmental, social and governance (ESG) factors can impact a pension plan's financial performance. Environmental concerns include pollution, climate change and deforestation. Social concerns include human and labour rights as well as health and safety. Governance factors include corporate governance, business ethics, shareholder rights and executive compensation. The Trustees believe that consideration of ESG factors contributes to the prudent investment of the Plan's assets.

The Plan's investments are not selected, or rejected, solely on the basis of ESG factors. Rather, provided there is sufficient transparency regarding the asset class, ESG factors are considered to the extent that they may have a material impact on the financial return of an investment. The Plan's investment managers are responsible for determining the materiality of the risks posed by ESG factors and other economic and financial risks and for selecting the Plan's investments accordingly.

The Trustees' ESG approach includes: encouraging their investment managers to consider material ESG risks and opportunities when investing Plan assets; encouraging them to become signatories to the United Nations-Supported Principles for Responsible Investment; and retaining Groupe Investissement Responsable Inc. to vote the proxies of stocks held in the Plan's segregated mandates in accordance with the Shareholder Association for Research and Education's proxy voting guidelines.

WORKING AFTER RETIREMENT

Did you know the Income Tax Act does not permit you to receive a pension and accrue pension benefits in the same pension plan at the same time?

If you have started your NHRIPP pension and return to work with a contributing employer, different rules will apply depending on whether you return to work before age 65 or after your 65th birthday.

Please refer to pages 18 and 19 of the Member's Handbook for more information including a detailed example of your options. The Member's Handbook can be found in the Quick Links section of the Plan's website at www.nhrripp.ca.

THE NHRIPP IS A SOMEPP

A Specified Ontario Multi-Employer Pension Plan (a "SOMEPP") is a special class of pension plans which have 15 or more contributing employers and are thus much less likely to terminate. The NHRIPP is a SOMEPP and has hundreds of contributing employers.

As a SOMEPP, the Plan is funded only on a going concern basis and is exempted from the solvency funding requirements of Ontario's Pension Benefits Act. The Plan's solvency-funded level does have an impact if a former member transfers his or her pension benefits out of the Plan.

For more information on the Plan's SOMEPP designation, please refer to the SOMEPP Notice in the "About the Plan" section in the Plan's website www.nhrripp.ca.

DO YOU VALUE YOUR NHRIPP PENSION?

Benefits for Plan members

We all have busy lives and often don't find the time to reflect on the value of what we have. One often overlooked item is the value of your pension plan. The Stats Canada website indicates that in 2019 approximately 80% of employees who work in the private sector did not have a workplace pension plan. This means that you are one of the fortunate one out of five workers in Canada's private sector who has a workplace pension plan.

To help you see the value of your pension plan, here are some features of the NHRIPP.

Target lifetime pension - The NHRIPP is designed to pay you a pension for your lifetime starting at age 65, so unlike many other Canadian retirees, you do not have to worry about outliving your retirement savings.

Shared contributions - Members and employers contribute to the Plan. Your employer's contribution rate can never be lower than yours.

Easy to understand formula - Your NHRIPP pension is competitive within the industry and is based on a formula which uses the total contributions made to the Plan on your behalf. A formula-based pension is much more predictable than savings in an RRSP or a defined contribution plan, so members can easily estimate their target monthly pension long before retirement.

The Pension Estimate Calculator in the My InSite member portal is an excellent tool to help you see what your estimated monthly pension would be at different retirement dates.

Flexibility - The NHRIPP has many contributing employers from a common industry so you can move from one contributing employer to another and continue to grow your pension.

When you retire is up to you - Once you are no longer working at a job which requires contributions to the Plan, you can start collecting a reduced pension as early as age 55 or wait until the normal retirement age of 65 to collect an unreduced pension.

Once you are 65, you can start your unreduced pension as soon as you are no longer working at a job which requires contributions to the Plan. By December 1st of the year in which you turn 71, you must start receiving your pension even if you continue working at a job which requires contributions to the Plan.

Death benefit - The NHRIPP will pay a death benefit to your spouse or beneficiary if you die before you start to receive your pension. This death benefit is equal to the value of your pension benefits at the date of your death. A surviving spouse can elect to receive the death benefit as a monthly pension or a lump sum. The Plan also provides a survivor pension payable to your eligible spouse if you predecease your spouse while in receipt of a joint and survivor pension.

We trust the above helps you appreciate the value of your NHRIPP pension.

THE BRIGHT SIDE OF TURNING 65

Some things you should know

In addition to being able to collect your unreduced pension from the NHRIPP, there are government sources of income that may apply to individuals who are 65 or older. Here are some of these items.

Canada Pension Plan (CPP) - If you are eligible for a CPP pension, you can start to receive your unreduced CPP pension at age 65. You can apply for a reduced CPP pension at any time during ages 60 to 64 and an increased CPP pension from age 66 to 70. You won't automatically start receiving CPP benefits. You must apply online or mail a completed application to Service Canada, along with all the required information.

Old Age Security (OAS) - If you are eligible, you will start to receive your OAS pension at age 65. Similar to CPP, you can defer taking your OAS pension for up to five years to receive a higher monthly benefit. If you are eligible for OAS, you should receive a letter from Service Canada, in the month after your 64th birthday, letting you know that you'll be automatically enrolled in the OAS program. If you don't receive this letter or if you want to defer the start of your OAS benefits, you'll must contact Service Canada.

Guaranteed Income Supplement (GIS) - This government program provides additional support to low-income Canadians who are collecting OAS with an annual income of less than \$19,248 for singles, or with a combined annual

income of less than \$25,440 for couples, in 2021. You must apply for the GIS benefit through Service Canada (by mail) and renew your application each year when you file your income tax return.

Visit the Government of Canada website at www.canada.ca/en/services/benefits/publicpensions for more details on the above programs.

You should also be aware of the following tax credits and benefits designed for seniors.

- Age amount
- Pension income amount
- Pension income splitting
- Disability amount
- Medical expenses
- Goods and services tax/Harmonized sales tax (GST/HST) credit
- Family caregiver amount (FCA)

For more information on the above, visit the Canada Revenue Agency website at www.canada.ca/en/revenue-agency.



YOUR MEMBER PORTAL

Did you know you can have instant access to your personal pension information and manage certain requests?

The My InSite member portal provides “24/7” secure access that allows members to:

- view and update their personal data and beneficiaries;
- use the pension estimate calculator to estimate their monthly pension at different retirement dates;
- request a pension application;
- view the contributions received on their behalf; and
- download and upload select documents.

For first-time users, it's as easy as 1, 2, 3.

1. Visit the Plan's website at www.nhrpp.ca and click on the Member Sign In button at the top of the home page.

2. On the Sign In to My InSite page click on Set Up Account in the Login box. You will need your email address, your member id number, the last five digits of your SIN and your date of birth.
3. Enter the required information and click on the Submit button. You will receive a temporary password at your email address which you can use to sign in for the first time.

Now you're in control.

*Your member id number can be found at the top of any communication received from the Plan or InBenefits.

If you need help obtaining your member id number, setting up your account or using the portal, you can contact InBenefits during regular business hours and someone will guide you through the process.

YOU ASKED, WE ANSWERED

Q. In my Annual Pension Statement why is “interest on contributions” shown?

A. Pension law requires “interest on employee contributions” to be included on annual statements. Interest on employee contributions is used only for the purposes of the “50% rule”. This rule ensures members don't fund more than 50% of the value of their pension. If your employee contributions plus interest equal more than 50% of the current value of your pension, this difference or “excess” will be refunded to you as a taxable lump sum or transferred on a tax-free basis to your RRSP, another registered account, or another pension plan. In the case of a pre-retirement death benefit, any excess contributions will be paid to your spouse, designated beneficiary or estate.

Q. What's the Plan's normal retirement date?

A. Your normal retirement date in the Plan is the first of the month coinciding with or immediately following your 65th birthday. You will be eligible for your unreduced pension on this date.

Q. When will the first pension payment be made?

A. Your pension is payable on the latest of (i) the month following the month in which your application is received; (ii) the month following the month you last worked in a job that required contributions to the Plan; and (iii) the month for which you elect to begin receiving your pension.

Pension payments are made on the first business day of the month via direct deposit or cheque and will be paid for your lifetime and possibly the lifetime of your spouse, depending on the pension payment option you select.

KEEP IN TOUCH

Have you recently changed your address or have a question about your Plan? Contact us!

Email: information@nhrpp.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
310-105 Commerce Valley Drive West
Markham, Ontario L3T 7W3

You can also access Plan information online anytime at www.nhrpp.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.

