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PENSION AND RETIREMENT CHANGES IN NEW UWOFA AND PMA AGREEMENTS
Agreements ratified in late 2010 by UWOFA (University of Western Ontario Faculty Association) and PMA (Professional and Managerial Association) contain changes that will affect pensions and retirement.

UWOFA
The UWOFA collective agreement ratified November 16, 2010 includes a number of changes. Two are noted below. One affects provisions regarding the rate of regular contributions members make to their pension plan. The other affects phased retirement.

REGULAR PENSION CONTRIBUTIONS: Effective November 16th, 2010, new members joining the Academic Pension Plan are required to make regular contributions to the plan at the rate of 5.5%. Those who were already members of the Academic Pension Plan on November 16, 2010 will have the opportunity to irrevocably set their regular contributions rate at either 1.5% or 5.5% by June 30, 2011. Details on how to make this election will be provided later this spring. The University’s contribution remains at 8.5%.

PHASED RETIREMENT: There are a number of changes to phased retirement, and UWOFA members considering phased retirement should read details in the updated document Phased Retirement Summary of Provisions and Considerations for Full Time Members of the Western Faculty Association. Deans will be providing this summary to all faculty members who are eligible for phased retirement. The Deans also have information on the earliest date that phased retirement could begin, so you may direct inquiries to your Dean’s office.

PMA
While no PMA pension changes take effect in 2011, pension plan members covered by the PMA agreement will see changes to their regular contribution rates in late 2012. Details of the changes were communicated to PMA-eligible employees in an email sent on December 17, 2010 from “hr-communication.” They will also be communicated again closer to the date of implementation as a reminder, but it may be helpful to know that both employer and employee pension contributions will increase beginning November 1, 2012.

All new PMA-eligible employees joining the pension plan on November 1, 2012 and later will be required to make regular pension plan contributions of 5.5% - an increase of 3%. Those who joined the plan prior to November 1, 2012 will be asked to make a choice to either maintain their regular pension contributions at 2.5% or increase to 5.5%.

Employer contributions for PMA-eligible employees will increase by 0.5%. Again, full details will be communicated in early 2012.

Here are a few changes of note, and some important dates.

• The new contract contains a provision to allow members who work beyond their Normal Retirement date, the opportunity to phase their retirement over a one year period commencing July 1st, of either 2011, 2012, 2013 or 2014.

• Members should be aware of deadlines for notifying their Dean regarding a decision to take phased retirement.

◦ Members preparing for a three year phased retirement beginning July 1, 2011 will have already notified their Dean in writing (by July 1, 2010). Such members may choose a one or two year phased retirement plan in lieu of their current arrangement, in accordance with the phased retirement provisions and with the consent of their Dean.

◦ Those considering a one or two year phased retirement beginning July 1, 2011, under the newly negotiated letter of understanding, must notify their Dean in writing by March 31, 2011.

◦ For phased retirement of any duration that will begin July 1, 2012 or later, members must notify their Dean at least 12 months prior to the July 1st that the phased retirement begins (e.g. by July 1, 2011 for phased retirement beginning July 1, 2012).

◦ For phased retirement beginning July 1, 2015 and each July thereafter, the phased period is three years in duration, subject to changes in the collective agreement.
YOU CAN INCREASE YOUR PENSION

Although there are changes in “regular contribution rates” for some employee groups, it is important to remember that all pension plan members may make voluntary contributions to their pension account, subject to CRA limits. Voluntary pension contributions provide an easy and cost-effective way to save for retirement.

All members of Western pension plans make required “regular” contributions and Western also makes contributions on behalf of members. All members have control of how they invest the funds in their plan. This is the essence of Western’s “defined contribution” plans - a form of capital accumulation where the amount of retirement income is not guaranteed but is determined to a great degree by the rate of return on the investment selections made by the member, and whether any voluntary contributions are made.

Members should consider whether making voluntary contributions is right for them. This is an individual decision but here are some benefits you might consider:

- The challenge for many people is saving enough for retirement. Voluntary contributions are a convenient way to increase savings – done simply via payroll deduction.
- You can choose to increase, lower or stop voluntary contributions any month.
- You direct the investment of these funds. You may invest them the same way, or differently, than your regular account, still choosing from the 15 investment options available.
- Investment fees in Western plans are lower than rates for outside RRSPs.
- These funds are not locked in, so unlike the required contributions, pension law does not prevent you from cashing these funds in the future.
- You receive an immediate tax break on income tax taken from your pay (instead of waiting for your tax refund).

To start or increase voluntary contributions, simply complete a form and return it to Human Resources Communications in person (Rm. 5100, Support Services Building) or via fax (519-661-4104) or via interoffice mail. The form is available for download at: http://www.uwo.ca/humanresources/docandform/forms/pensions/voluntaryapplication.pdf

The maximum total amount you may contribute to your plan including voluntary contributions is 18% of your pay (for 2011 it is 18% of earnings or $22,970 - whichever is less). For most members this means the maximum voluntary contribution is 8% per pay. If you have more questions please call HR Communications at 519-661-2194 or ext. 82194 and we will connect you with a member of the pension team.

YOUR RETIREMENT PLAN INFORMATION

The 2010 Annual Statements for members of the Western retirement plans will be distributed in late March and early April 2011. Your personalized statement will arrive by campus or regular mail. It contains details of your pension contributions and employer contributions, as well as information about the personal investment selections you have made.

Also available at the same time, is the 2010 Investment Performance Review annual report which gives details on performance of all funds in Western plans. The performance review document will be available electronically at http://www.uwo.ca/humanresources/docandform/docs/pension/annreport/annualreport.pdf. You may also request a printed copy. To do so, contact Ann Jones at ajones66@uwo.ca or 519-661-2111 extension 85536.

ANNUAL MEMBER MEETINGS

Each spring, annual meetings are held for members of Western’s retirement plans and RIF holders. It’s a good chance to get answers to your pension questions, hear an update on pension developments, and to get an overview of the past year. We hope you will plan to attend one of these important sessions, but if not, the presentation slides will be available on the Retirement Plans website in late April. A special guest speaker from Beutel, Goodman & Company Ltd., one of our Canadian Equity managers, will be featured at the April 27th, 2011 evening meeting.

The annual member meeting dates are as follows:

Wednesday, April 27, 2011
7:00 – 9:00 p.m.
Spencer Engineering Building – Room 2202
Presented by Martin Bélanger, Director, Investments
Featuring an additional presentation by one of our Canadian Equity managers:
Beutel, Goodman & Company Ltd.
UPDATES FOR RIF MEMBERS

WESTERN RIF ANNUAL NOTICE OF PAYMENT ELECTION
For members of the Western Retirement Income Fund, February and March is a time when members are asked to elect their 2011 tax and payment amounts. The deadline for payment changes is the 15th of month to be effective the 1st of the following month. This means elections received by February 15, 2011 will be effective March 1, 2011. Elections received after February 15th, but by March 15th, 2011, will be processed effective April 1, 2011. Changes can be made online at: https://www.uwo.ca/humanresources/facultystaff/comp/pension/login.htm

RIF members will have received information packages in February. If you have questions about this please call HR communications at 519-661-2194.

ONE TIME UNLOCKING OF YOUR OLD LIF OR LRIF
Members who have an OLDLIF or LRIF may want to take advantage of their one time unlocking option. Members with an OLDLIF or LRIF who are interested in proceeding with “unlocking” up to 50% of their account can make an unlocking application anytime time between January 1, 2011 and April 30, 2012. (Note: The timelines for unlocking apply only to members who currently have assets in an Old LIF or LRIF.) A special notice outlining this option in detail was provided to all OLDLIF and LRIF members on September 17, 2010.

A special website has been developed to provide interested members with:
- the pros and cons of unlocking funds
- a copy of the special notice mailed out in September 2010 about this unlocking option
- the required unlocking forms, and
- other information needed to make an informed choice.

Please go to: http://www.uwo.ca/humanresources/facultystaff/comp/pension/rif_unlocking.htm

MEET OUR NEWEST PENSION TEAM MEMBER!
Bekki Ollson joined the Human Resources team as a Pension & Benefits Consultant on December 13, 2010, just in time to enjoy all the snow days.
Joking aside, Bekki, a Western graduate, comes to us with a solid background in the financial services industry, having worked since 2004 for a large financial institution, most recently as a financial advisor. In addition, she has successfully completed a number of industry courses that have allowed her to acquire a wealth of knowledge to assist Western Retirement Plan members with their retirement planning. These include the Canadian Securities Course and the Wealth Management Essentials Course. She is also working towards the CIFP Retirement Planning Certificate Course which will earn her the title of Registered Retirement Consultant RRC.

As part of her role Bekki enjoys meeting one-on-one with faculty, staff and retirees on various aspects of their Western pension and benefits including investment counseling, pension contributions, Retirement Income Fund (RIF) recertification, unlocking your funds from the Western Life Income Fund (LIF), retirement planning, benefit updates, faculty phased retirement and part-time pension. “I understand the important role an individual’s pension plan plays in their overall retirement plan. I am committed to continuing to educate myself in this ever changing investment environment,” says Bekki.

With financial planning at the forefront in the media at this time of year, Bekki has two reminders for Western Retirement Plan members: “First, take the time to carefully review your Annual Pension Statement information – it can provide you with some much needed insight into how prepared you may be for a successful financial future. Secondly, voluntary contributions are extremely important and can make saving seem effortless.”

To make an appointment with Bekki, please contact the Human Resources Communication Centre at 519-661-2194 or extension 82194.

<table>
<thead>
<tr>
<th>Historical Investment</th>
<th>Returns at December 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND</strong></td>
<td><strong>1-mth</strong></td>
</tr>
<tr>
<td><strong>TIER 1</strong></td>
<td></td>
</tr>
<tr>
<td>Balanced Income</td>
<td>1.39%</td>
</tr>
<tr>
<td>Balanced Growth</td>
<td>3.18%</td>
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<tr>
<td><strong>TIER 2</strong></td>
<td></td>
</tr>
<tr>
<td>Diversified Bond Fund</td>
<td>0.04%</td>
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<tr>
<td>Diversified Equity Fund*</td>
<td>4.52%</td>
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<tr>
<td><strong>TIER 3</strong></td>
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<tr>
<td>Money Market Fund*</td>
<td>0.10%</td>
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<tr>
<td>TDF June/2012*</td>
<td>0.11%</td>
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<tr>
<td>TDF June/2014*</td>
<td>0.05%</td>
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<tr>
<td>TDF June/2016*</td>
<td>0.05%</td>
</tr>
<tr>
<td>Canadian Bond *</td>
<td>0.16%</td>
</tr>
<tr>
<td>Long Term Bond *</td>
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<tr>
<td>SRI - Equity*</td>
<td>4.81%</td>
</tr>
<tr>
<td>Canadian Equity*</td>
<td>4.02%</td>
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<tr>
<td>US Equity- (Hedged)*</td>
<td>6.47%</td>
</tr>
<tr>
<td>US Equity- (Unhedged)*</td>
<td>3.01%</td>
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<tr>
<td>Non-North Am Equity</td>
<td>4.34%</td>
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<tr>
<td>Liquidating Trust</td>
<td>0.20%</td>
</tr>
</tbody>
</table>

*fund is available in the Western RIF plan

Full details available at: [http://www.uwo.ca/humanresources/facultystaff/comp/pension/historical_unit_values_idx.htm](http://www.uwo.ca/humanresources/facultystaff/comp/pension/historical_unit_values_idx.htm)