

Western Pension Plans

**Academic and Administrative Staff
Pension Boards**

Annual Update for 2020

Member Decisions

Spring 2021

Education Sessions

Spring 2021

Annual Member Update: Meeting Goals with Member Decisions

Recorded webinar

Annual Member Update: Investments in the Western Pension Plan

Recorded webinar

Plan & Save- April 28 at 1 pm

Government Benefits: CPP & OAS – May 4 at 12 pm

Diversification - May 13 at 10 am

Rebalancing (on demand) – <https://www.uwo.ca/hr/pension/workshops.html>

On demand webinars for Western - www.mysunlife.ca/Western

Sun Life's Live Financial Wellness Webinar Series - www.sunlife.ca/mymoney

Disclaimer

This presentation material was created to educate and update members of the Western Pension Plans.

It is not intended to constitute legal, tax, pension, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type.

This presentation contains general information and should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Agenda

- The Joint Pension Board
- Summary of the Plans
- Member Decisions: Retirement Planner Tool
- Member support
- Questions

Your Joint Pension Board (at Jan 1/21)

| Name | Role at Western | Tenure |
|-------------------|---|------------|
| Ab Birch | Director, Financial Systems Chair, Administrative Board; Chair, Joint Pension Board | Since 1997 |
| Stephen Foerster | Prof. Richard Ivey School of Business | Since 2008 |
| Rachel Halaney | Associate Director, Administration & Finance, Schulich Dentistry | Since 2020 |
| Barry Hawn | Prof. DAN Department of Management & Organizational Studies | Since 2020 |
| Steve Kopp | Prof. Department of Statistics and Actuarial Sciences Chair, Academic Board; Vice-Chair, Joint Pension Board | Since 2017 |
| Donna Kotsopoulos | Dean, Faculty of Education | Since 2020 |
| Louise Koza | Director, Total Compensation, Human Resources | Since 2003 |
| Jim Loupos | Internal Auditor, Financial Services | Since 2009 |
| Eric Mallory | Associate Vice-President, Financial Services | Since 2019 |
| Jane O'Brien | Associate Vice-President, Human Resources | Since 2000 |
| Elana Whelan | Senior Advisor, Human Resources | Since 2019 |

The Western Plans

- \$1.2 billion in assets combined
- 7123 members – 5788 are active
- Invested across 13 investment options

Academic Plan:

- 2892 members
- Average age: 51 years
- Total assets: \$737 million
- Average member balance: \$255,032
- Average balance for members > age 60: \$503,000

Administrative Plan:

- 4231 members
- Average age: 47 years
- Total assets: \$536 million
- Average member balance: \$126,700
- Average balance for members > age 60: \$249,600

Factors in Retirement Readiness

- ✓ Income Needs/Lifestyle
- ✓ Age/Retirement Date
- ✓ Contributions
- ✓ Personal Savings
- ✓ Investment Returns/Risk



Login to Sun Life at www.mysunlife.ca/Western

> my financial centre > Quick Links > my money tools > Retirement planner

ELI, here's where you are with your current retirement savings:

- Your goal is to retire at 61
- Your projected income will likely be \$4,166 per month

Complete all the information below to get a better estimate of your retirement age.

Congratulations, you're currently on track to reach your goal.

You'll likely work until:

63

AGE

Let's take a look at your retirement goal

You can adjust these values to project a retirement goal. This will give you an idea of what your contributions will be, helping you get closer to your goal.

GOAL

Income Goal
\$54,000



Estimated Retirement Income
\$50,000

Calculation assumptions

Rate of return ⓘ

Current-Aggressive: 6.25%
Compare risk profiles

Balanced: 5.50% ▼

At what age would you like to retire? ⓘ



61 years

What income would you like to have when you retire? ⓘ

Most people plan to retire with an income between 40 to 80% of their current income. It's important to note that your situation and lifestyle may vary.



Still need help?

Our Budget calculator can help you choose an income for the lifestyle you want.

Calculate your budget

Show

per month per year



\$4,500

= 60%

Keep this % and automatically change my income goal when total income changes.

GOAL

INCOME/
LIFESTYLE

SAVINGS

Explore how much to contribute ⓘ

See what contribution amount can get you closer to your income goal.

The retirement planner tool only shows you an estimate and doesn't update your contributions.

Reset



Current: \$2,000

Registered contributions

\$ 250 per pay ⓘ



Current: 50

Non-registered contributions

\$ 0 per pay ⓘ

CONTRIBUTIONS

Defining your goals

Here's how we calculate your goal

We use the following information to calculate your retirement goal.

Please review these sections so we can give you a better look into your retirement.



ABOUT ME

(Age, residence)



CURRENT INCOME

(Workplace & other sources)



CURRENT SAVINGS

(Sun Life & other places)



OTHER RETIREMENT INCOME

(Pension income, CPP/QPP, OAS)



Goal Age / Retirement Date

- Retirement Age:
 - Normal Retirement Date (NRD)
 - Academic Plan – 1st of July following age 65
 - Administrative Plan – 1st of the month following age 65
 - Earliest Retirement Date is 10 years prior to NRD
 - No mandatory retirement age
- Western's average age at retirement in 2020
 - Academic Plan: 65
 - Administrative Plan: 63

Current Income

- All your sources of income serve to meet your current savings levels and lifestyle
 - Far from retirement? Target continuing 50-75% of your *pre-retirement income*
 - Closer to retirement? A personalized goal matters!

How much do you need to maintain your lifestyle?



Still need help?

Our Budget calculator can help you choose an income for the lifestyle you want.

[Calculate your budget](#)

Goal Income

\$35,000 per year | \$2,917 per month (gross)

\$45,000 per year | \$3,750 per month (gross)

\$55,000 per year | \$4,583 per month (gross)

\$80,000 per year | \$6,667 per month (gross)

CUSTOM



Whether you go away for the weekend or spend it curled up on the couch, you balance your budget with your lifestyle. You save your money so it's there for the future and if you want to get away or buy something special. This personalized approach gives you the freedom to make your own choices.

i If you pick Custom, you'll need to enter what you think your expenses will be in the future.

SELECT

Planning Horizon

How long should my income last? 

Until I'm 94
(male)

Until I'm 96
(female)

Other

99 years old

*May you live a long life full of gladness and health,
With a pocket full of gold as the least of your wealth.
--Irish blessing*

Savings

- Current Savings:
 - Registered: in the pension plan
 - Required contributions from employees and the employer
- Optional: Additional Voluntary Contributions

“Money in” is still the greatest determinant of “money out” in retirement.

- Sun Life, Designed for Savings 2019

Additional Voluntary Contributions (AVC) and Transfers-In

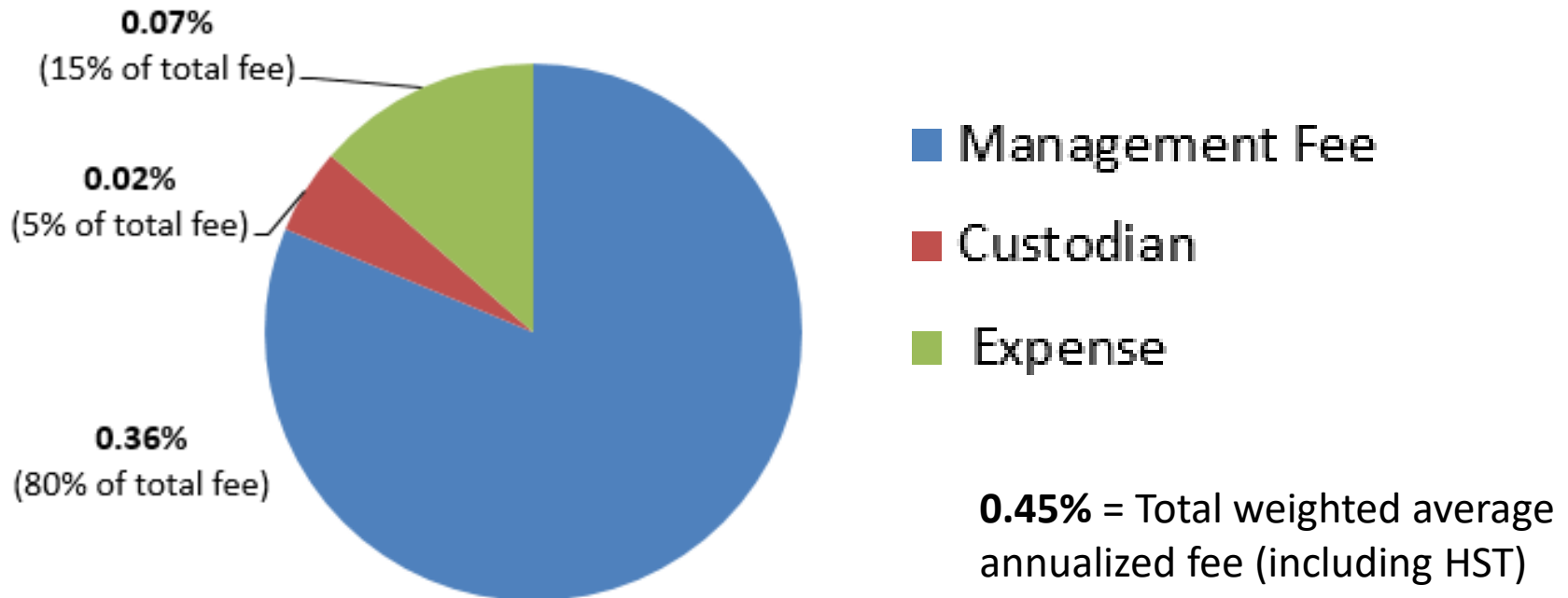
| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------|-------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| % of members making AVC | 25% | 30.6% | 29% | 24.3% | 27.3% | 27.7% |
| Total AVC \$ | \$5.6 M | \$5.9 M | \$5.4 M | \$5.2 M | \$5.9 M | \$6.0 M |
| Avg % of pay | 4.6% | 4.6% | 4.6% | 4.6% | 4.5% | 4.7% |
| Transfers from RRSP/prior pension | \$0.7 M 20 EEs | \$ 3.1 M 52 EEs | \$ 3.5 M 72 EEs | \$ 2.3 M 41 EEs | \$3.3 M 48 EEs | \$2.3 M 42 EEs |

Maximum in 2021 is the lesser of 18% of earned income and \$29,210

Savings: Fees

Average Fund Management Fees:

- Defaults to 0.75% in the tool
- Western Pension Fund is 0.45%



Fees: An Illustration

If:

- you invested \$500 per month
- in the Western Diversified Equity Fund
- from March 1978 to February 2021

You would have saved = \$2,261,500
(based on actual fees and returns)

If:

- you invested the same money, earning the same returns, for the same period BUT the fund charged fees 2% higher

You would have saved = \$1,207,600

The difference in savings of \$1,053,900 is entirely due to fees!

Difference in savings due to fees...

Over the last 30 years - \$691,000

Over the last 20 years - \$61,500

Over the last 10 years - \$11,500

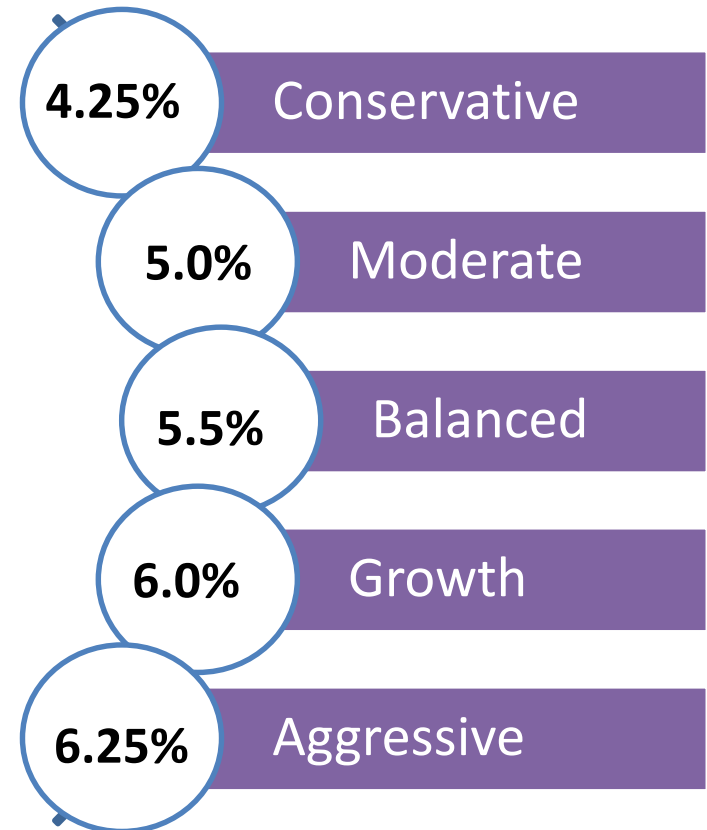
Western Pension Plan: 0.45%

Retail Market: 1.50-2.50%

Investment Returns / Risk

Login to Sun Life > my financial centre > Asset allocation tool

- Sensitive to asset allocation between equities, fixed income, and cash
- Potential for returns vs Risk of loss
- Variability of returns
- Time horizon



275 members have turned on auto-rebalancing

Rates of Return

by member (net of fees)

Individual* Member Performance

| 2020 Return Breakdown | Historical Median Returns |
|---|---|
| <ul style="list-style-type: none">• Maximum: 34.7 %• Average: 8.8 %• Median: 9.7 %• Minimum: -23.6 % | <ul style="list-style-type: none">• 1 year: 9.7 %• 3 year: 6.9 %• 5 year: 7.7 % |

*member accounts which had a full year of activity and a balance of \$3,000 or more

Are you On Track?

AGE

INCOME/
LIFESTYLE

SAVINGS

CONTRIBUTIONS

INVESTMENT
RETURNS

At what age would you like to retire? ⓘ

61 years

What income would you like to have when you retire? ⓘ

Most people plan to retire with an income between 60 to 80% of their current income. It's important to note that your situation and lifestyle may vary.

Show

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Current: \$0

Calculation assumptions

Rate of return ⓘ

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Support: all members

- **Register** your access and monitor your progress
mysunlife.ca/Western or uwo.ca/hr/pension/login
- Use the **tools online** in your Sun Life account to monitor your progress and customize your own projections
 - Sign in to your Sun Life account and choose:
my financial centre > Resources > my money tools
 - Retirement Planner
 - Asset Allocation tool
 - Tools
- **Seek Advice** from a Sun Life **Investment Advice Specialist**
 - Call 1-866-733-8612 8 am to 8 pm on business days

Support: members within 10 years of retirement

Sun Life Retirement Consultant:

1-866-224-3906 (option 1)

www.mysunlife.ca/western > Select the RIF/LIF tab

- 1-on-1 planning support
- Income projections and detailed plan
- Investment advice
- Sun Life Retirement & Savings Plan for Western Retirees

For questions about eligibility for retirement, post-retirement benefits or other employment or governance related questions contact Western HR at hrhelp@uwo.ca 519-661-2194

Support: other resources

Each plan member is responsible for making investment decisions and for using the tools and information provided to help make these decisions.

Also consider seeking advice from a qualified individual.

Your team may include:

- Financial Planner for holistic planning
 - To find a Certified Financial Planner (CFP) visit: <https://www.fpcanada.ca> > Canadian Public
- Accountant (Tax planning)
- Lawyer (Wills, estate planning)
- Others?

Questions

- If you have questions about the operation of the pension plans, please email Cara.Bourdeau@uwo.ca

Thank you