April 5, 2007 Presentations to the Community and October 2008 Report

The Committee held public meetings to present the following information and recommended changes to the pension plan:

1. A decrease in the interest rate assumption (excluding inflation) from 4% to 3.85%.
2. Discontinuing indexing during the deferral period for those individuals who resign from UW before age 55 with less than 20 years of service and elect to leave their pension contributions in the plan.
3. An increase in employee contributions (the first since 1977) to be phased in over two years.
4. An increase in the pension cap from $2,650 per year of service to $3,200 per year of service.

These recommendations were approved at the June 5, 2007 meeting of the Board, and were again discussed in the October 2008 Report to the Community.

April 6, 2009 Report to Community

The Committee reported on the health of the plan, the Committee’s process for monitoring the health of the plan, as well as the acceptance by the Board of Governors of the Committee’s recommendation to increase contributions to the pension fund. A copy of this report can be found at: April 2009 Report to the Community.

November 13, 2009 Presentations to the Community and April 7, 2010 Report

The Committee held public meetings to present information on pension plan funding, as well as the following recommended changes to the pension plan:

1. A change to the interest rate credited to member required contributions from a 4-year average fund rate of return to 5-year fixed-term chartered bank deposit rates (the CANSIM rate).
2. Removing the commuted value option for members terminating employment with the university between ages 55 and 65.

These recommendations were approved by the Board of Governors on April 6, 2010. The approval was reported to the community on April 7, 2010. Please see the November 2009 Presentations to the Community and the April 2010 Report to the Community for more information.

2011 Report to Community

This was a general update regarding the work of the Committee since the information sessions held in November 2009. The report spoke to: the pension plan design changes approved in 2010, including the wind-down of the flexible pension plan; changes to the investment portfolio; revisions to the pension fund’s Statement of Investment Policies & Procedures; the Pension Plan text restatement; the decision to file the January 1, 2011 Actuarial Report earlier than required in order to lock-in the funding of the plan for an extra year during a period of uncertainty and volatility in the markets. Please see the 2011 Report to the Community for more information.