



## Change of Plan Name

The BCGEU Pension Plan operated as a defined contribution pension plan from November 1, 1988 to June 30, 2016 when it became a target benefit pension plan.

The Plan's new name, **BC Target Benefit Pension Plan**, will better reflect the fact that the Plan now provides its members with lifetime pension benefits.

## Investment Performance and Asset Mix

The Plan's assets are invested with the objective of providing Plan members with stable lifetime target retirement benefits. The table immediately below sets out the Plan's investment returns for the periods noted.

Rates of Return at December 31 2016					
	1 Year	3 Year	5 Year	10 Year	20 Year
<b>Fund Return</b>	5.1%	7.1%	8.7%	3.6%	5.7%
<b>Fund Benchmark</b>	5.0%	7.4%	9.3%	5.3%	6.6%

The Plan's assets as of December 31, 2016 total \$62.5M. These funds are invested in the following asset classes:

Asset Class	Percentage of total funds
Bonds and Mortgages	27.7%
Global Equities	39.8%
Real Estate	28.5%
Cash and Short Term Notes	4.0%
<b>Total Investments</b>	<b>100%</b>

# Actuarial Valuation of the Plan

## What an actuarial valuation is:

An actuary examines the Plan's financial condition, and delivers an opinion. The actuary considers the assets in the Plan, future expected contributions and the target benefits earned and being earned by the Plan members. In doing so, the actuary must make estimations about future unknowns such as the Plan's investment returns and retiree lifespans.

## The opinion of the Plan's actuary:

The actuary has certified that, as of June 30 2016, the Plan had sufficient assets to pay the target benefits that have been earned by the members of the Plan, and new contributions coming in can support the target benefits being earned.

## The impact of the actuarial valuation:

The target benefit is the basis of the pension that members receive from the Plan in retirement. The reason it is called a target benefit is that the benefit you receive in retirement could be adjusted, up or down, based on the Target Benefit Percentage, which can change with the Plan's financial condition. The Plan's financial condition and the Target Benefit Percentage is assessed and reported by the Plan's actuary in the actuarial valuation. Based on the June 30 2016 actuarial valuation, the Plan's Target Benefit Percentage will remain at its initial level until at least the next actuarial valuation.

## The next actuarial valuation:

Under pension law in British Columbia, the BC Target Benefit Pension Plan was required to have an actuarial valuation prepared in 2016 in connection with the Plan conversion. In the future, the Plan will be required to have an actuarial valuation prepared to assess the financial health of the Plan as of December 31 2018 and at least every three years after that date.

### BC Target Benefit Pension Plan Trustees

Paul Finch (Chair)	John Cantlon
Jim Manson	Lee McArthur
Kelly McDonald	Peter Mehling
Mike Nuyens	Laura O'Neill
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### Plan Administrator

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*The B.C. Government and Service Employees' Union is a sponsor of the BC Target Benefit Pension Plan*  
*MoveUP*