



# in concert

Helping you understand your pension plan

July 2014

## Musicians' Pension Fund of Canada

2255 Sheppard Avenue East  
Suite A110, Toronto  
Ontario M2J 4Y1

TEL: 416-497-4702

FAX: 416-497-4742

TOLL FREE: 1-888-462-6666

info@mpfcana.ca

www.mpfcana.ca

QUESTIONS AND/OR COMMENTS  
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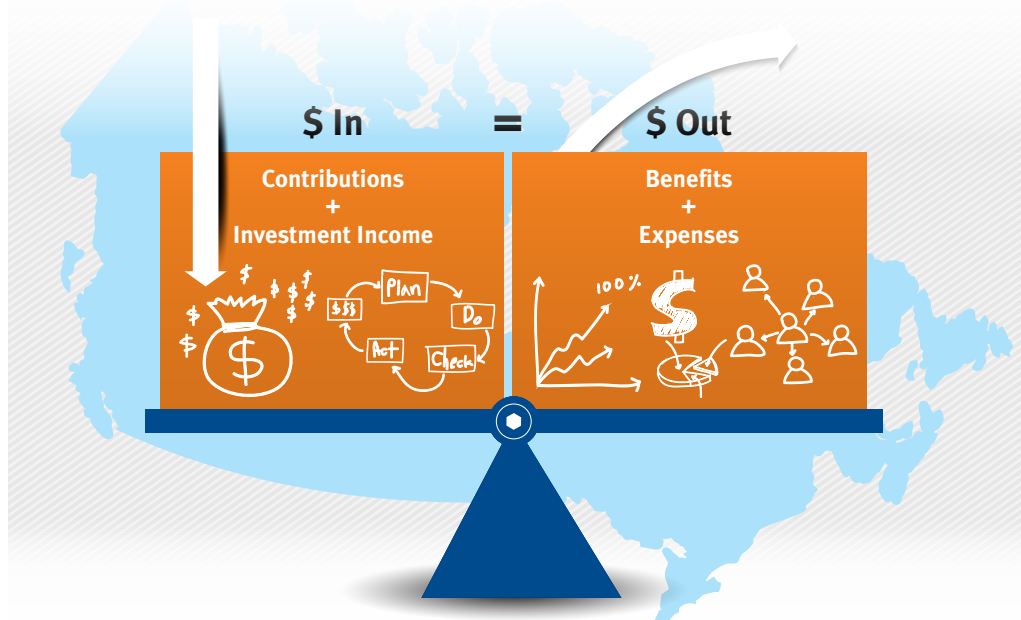
 info@mpfcana.ca

**in concert** covers general pension issues and explains how your pension plan works.

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## Funding of our pension plan explained



Our pension plan is funded by employer contributions and investment income. The sum of those amounts represents the plan's assets.

So the question is — what amount of benefits can be supported by these assets? The benefits are not just the basic pension amount per \$100 of contributions — they also include early retirement, death and survivor, disability and termination benefits.

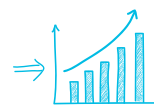
The Trustees need to determine the level of benefits and are required by law to use the assistance of an actuary in this exercise. In fact, the actuary must sign a certification every three years regarding the value of assets versus the value of plan benefits, and the level of benefits that can continue to be supported for the future by the contributions and expected income.

To do this, many assumptions about the future are involved, including expected income on assets, life expectancy, retirement and termination rates, etc. The reality does not always match the assumptions.

For example, people living longer means benefits are more expensive. Similarly, actual investment income over time may not match long-term rate of return assumptions. The Trustees cannot control the level of contributions, so if a mismatch of assumptions versus reality occurs (and it's not a positive result), their only recourse is to adjust benefit rates.

Provincial legislation also plays a part — it requires that future benefit accruals be supported by contributions (and expected income on those contributions) over the same period. This is the primary reason for the decision to divide contributions into two parts effective January 1, 2013 — one part to be used to determine your benefits and the other (sustaining contributions) to support the cost of accruing benefits.

For more information on these changes, please see the June 2013 **in concert** and the **News** section of our website.



## News about the new pension system



Our new computer system is up and running! After a lot of hard work over many months and thorough testing, the system went live on January 1, 2014.

To help us build the new system, we employed Procace Consulting. Procace has been helping companies with web solutions and database applications for over 20 years. They have also been consultants to a number of other pension funds. Procace has been very professional to deal with and has proven to be very responsive to our needs.

The new system incorporates more streamlined processes and many improvements in efficiency. It also lays the groundwork for member self-serve.

### More on member self-serve

We are still working on this aspect of the new system. A launch sometime this summer is expected. Member self-serve will allow you to independently access the system to change your address, to see your contribution details, and even to prepare your own pension estimate.

Please note that beneficiary changes will not be part of self-serve since we need an original signature on a beneficiary change form. The form is available at our website, [www.mpfcanada.ca](http://www.mpfcanada.ca), at the **Publications** tab.

Member self-serve will provide you with convenience, and additional fund office administrative efficiency, which also means cost savings!

## A word about wages

It's important to ensure that contributions are being made to the fund based on scale wages that are reported as earned income on your annual tax return and that are paid by or on behalf of employers/engagers. On occasion, contributions are submitted to the fund based on wages/earnings that are not reported to Canada Revenue Agency (CRA) for tax purposes and/or are

not related to employment with an employer. The Income Tax Act does not permit these contributions. If the fund office determines that such contributions have been paid to the fund, it must refund them immediately.

You should also be aware that the fund office has a right to require proof that wages/earnings have been reported to

## Annual report – first issue on its way

We are pleased to report that the first pension plan/fund annual report is on its way to you soon!

The Board of Trustees and the fund office work hard to make sure that the plan's mission statement is continuously satisfied. Here's a reminder of the mission statement:

To administer the plan in a prudent manner to ensure its long-term viability in order to provide the best possible retirement benefits to the fund's members and beneficiaries.

As with some of the larger pension plans and in line with the commitments underlying the mission statement, we felt it was time to start providing you with an annual report. The report will cover topics such as:

- Messages from the Chair of the Board of Trustees and the Executive Director
- Financial position of the plan/fund
- Investment performance
- Member, pensioner and benefit payment statistics

We're excited to offer you this new and important communication tool, and look forward to receiving your feedback on it.

**Stay tuned for the annual report in September 2014.**

CRA for tax purposes and that contributions have been paid through an employer. This would normally involve a request for a copy of your CRA Notice of Assessment.

Your help in ensuring that only appropriate contributions are paid to the fund will greatly assist the fund office in its administration of the plan.

## We need your email!

Providing us with an email address allows us to communicate with you more efficiently.

It's quick and easy to register your email address. Just go to [www.mpfcanada.ca](http://www.mpfcanada.ca), fill in four simple boxes — first and last name, email address, and postal code — and click on **Register**. Please help us to help you — through more timely communications and administrative savings. **Thanks!**



**Register: [www.mpfcanada.ca](http://www.mpfcanada.ca)**

First Name

Last Name

Email Address

Postal Code

**Register**

## Feedback welcome!

As always, we welcome your feedback. If you've interacted with the fund office recently, please tell us how we did. Also, we'd like to hear from you regarding this newsletter. Is it helpful? Are there other topics you would like to have included in future newsletters?

*Please send your feedback to [info@mpfcanada.ca](mailto:info@mpfcanada.ca)*



## In memoriam – Ray Petch

Sadly, on February 1, 2014, Ray Petch passed away. Ray spent many years serving as the President and Secretary Treasurer of the Calgary Musicians Association before moving to Toronto to serve as the Vice-President from Canada of the American Federation of Musicians.

Jazz piano player, advocate of many causes, and Trustee on our Board of Trustees from August 1992 to August 1997, he will be missed.



## About this newsletter

This publication was prepared on behalf of the Trustees of the Musicians' Pension Fund of Canada. It provides summary information about the fund in plain language. This publication is not intended to provide advice. If there is a discrepancy between this document and the legal documents that govern the fund, the legal documents will apply. The Trustees expect to maintain the fund indefinitely. However, they reserve the right to change or cancel any or all benefits under the fund for active or retired members and their survivors and dependents.