

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Under International Financial Reporting Interpretations Committee (IFRIC) 14, *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*, the Corporation and its subsidiaries must assess whether the pension asset has economic benefit to the Corporation and its subsidiaries

through future contribution reductions or refunds. In the event the Corporation and its subsidiaries are not entitled to a benefit, a limit or "asset ceiling" is required on the balance. The following provides a breakdown of the changes in the asset ceiling.

DECEMBER 31	2014	2013
Asset ceiling, beginning of year	44	41
Interest on beginning of period asset ceiling	2	2
Change in asset ceiling	(23)	1
Asset ceiling, end of year	23	44

PENSION AND OTHER POST-EMPLOYMENT BENEFIT EXPENSE

DECEMBER 31	2014		2013	
	PENSION PLANS	OTHER POST-EMPLOYMENT BENEFITS	PENSION PLANS	OTHER POST-EMPLOYMENT BENEFITS
Defined benefit current service cost	133	3	125	4
Net interest cost	12	20	38	19
Past service cost and plan amendments	3	—	1	—
Administration fees	6	—	6	—
Defined contribution current service cost	42	—	31	—
Expense recognized in net earnings	196	23	201	23
Actuarial (gain) loss recognized	1,049	13	(287)	(37)
Return on assets greater than interest income	(438)	—	(310)	—
Change in asset ceiling	(23)	—	1	—
Expense (income) recognized in other comprehensive income	588	13	(596)	(37)
Total expense (income)	784	36	(395)	(14)

During 2014, the Corporation and its subsidiaries incurred \$31 million of actuarial losses (\$23 million of actuarial gains in 2013) for pension plan remeasurements not included in the table shown above. This relates to the share of actuarial gains (losses) for investments in jointly controlled corporations and associates.

ASSET ALLOCATION BY MAJOR CATEGORY WEIGHTED BY PLAN ASSETS

DECEMBER 31 %	DEFINED BENEFIT PENSION PLANS	
	2014	2013
Equity securities	52	54
Debt securities	38	37
All other assets	10	9
	100	100

No plan assets are directly invested in the Corporation's or subsidiaries' securities. Lifeco's plan assets include investments in segregated and other funds managed by subsidiaries of Lifeco in the balance sheet of \$4,478 million at December 31, 2014 (\$3,012 million at December 31, 2013). During 2014, Lifeco's pension plans reallocated certain investments which resulted in an additional

\$1,066 million (nil in 2013) of plan assets invested in segregated funds of Lifeco. Plan assets do not include any property occupied or other assets used by Lifeco. IGM's plan assets are invested in IGM's mutual funds. Power Financial's plan assets are invested in segregated funds managed by a subsidiary of Lifeco.