Court File No. 21-CV-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Applicant

MOTION RECORD OF THE APPLICANT
(Returnable March 15, 2021)

March 8, 2021

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TAB 1

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NOTICE OF MOTION
(Pension)

Laurentian University of Sudbury ("**LU**") will make a motion to Chief Justice Morawetz of the Ontario Superior Court of Justice on March 15, 2021, at 9:00 A.M. (Eastern Time), or as soon after that time as the motion can be heard, via Zoom videoconference due to the COVID-19 pandemic.

PROPOSED METHOD OF HEARING:

This motion is to be heard via Zoom videoconference, the details of which are attached at Schedule "**A**".

THIS MOTION IS FOR:

1. An Order (the "**Pension Order**") substantially in the form attached at Tab 3 of the Motion Record of the Applicant dated March 8, 2021, that, among other things[1]:

   (a) abridges, if necessary, the time for service of the Notice of Motion and Motion Record in respect of this motion and dispenses with further service thereof;

[1] All capitalized terms not otherwise defined in this Notice of Motion are as defined in the Affidavit of Dr. Robert Haché sworn January 30, 2021 (the "**Initial Haché Affidavit**") contained at Tab 2 of the Application Record filed in support of the Initial Order.

(b) permits LU to apply the Transfer Ratio (as defined below) to commuted value transfer requests made by individuals who have already received a retirement or termination statement and election form indicating that they may elect to receive a 100% commuted value transfer from the Pension Plan and for whom such transfers have not yet been made from the Pension Plan (the "**CV Interim Applicants**"), pursuant to the terms of the Pension Plan, the Ontario *Pension Benefits Act*, R.S.O. 1990, c. P.8 (the "**PBA**") and Regulation 909 thereto (the "**Regulations**");

(c) orders that any CV Interim Applicant who has already requested a commuted value transfer may re-elect whether to receive an immediate or deferred pension, as applicable, or a commuted value transfer based on the Transfer Ratio;

(d) declares that LU, its officers, directors, members of the LU Pension Committee, Eckler Ltd., and RBC Investor Services Trust shall have discharged their duties and shall incur no liability or obligations by complying with the terms of the proposed form of Order;

(e) confirms that the payment by LU of its portion of the assessment in respect of the Pension Benefits Guarantee Fund ("**PBGF**") due on March 30, 2021 covering the Pension Plan pre-filing period of July 1, 2019 to June 30, 2020 is stayed pursuant to the terms of the Amended and Restated Initial Order dated February 11, 2021 (the "**Amended and Restated Initial Order**"); and

(f) such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THIS MOTION ARE:

2. LU is a non-share capital corporation that was incorporated pursuant to *An Act to Incorporate Laurentian University of Sudbury*, S.O. 1960, c. 151 C. 154 (the "**Act**"). LU is a publicly-funded, bilingual and tricultural postsecondary institution located in Sudbury, Ontario.

3. LU is the sponsor and administrator of the Pension Plan, and one of the employers under the Pension Plan.

4. The Pension Plan is registered with the Financial Services Regulatory Authority of Ontario ("**FSRA**") under the PBA and with the Canada Revenue Agency under the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp).

5. The last actuarial valuation conducted in respect of the Pension Plan was as of January 1, 2020. The valuation demonstrated that the Pension Plan is 104.7% funded on a going-concern basis, 85.4% funded on a solvency basis and 65.8% funded on a hypothetical wind-up basis.

6. The transfer ratio is a measure of a pension plan's assets versus its liabilities as if it were wound-up. The Pension Plan's transfer ratio, as described in the last valuation report, is 65.8% (the "**Transfer Ratio**").

Commuted Value Transfers

7. Former members of the Pension Plan are entitled to commute their pension entitlements at any age and at any time prior to commencing receipt of their pension.

8. The PBA and Regulations provide that if a pension plan has a transfer ratio of less than 1, commuted value transfers under the pension plan may be paid in two installments. The first installment is paid at a reduced percentage of their total value, which percentage is calculated by application of the applicable transfer ratio. The remainder of the commuted value must be paid out within 5 years.

9. LU’s past practice has been to pay commuted value transfers at 100%, in compliance with an exception applicable to low-volume commuted value activity under the PBA. Given the estimated wind-up funded position of the Pension Plan referred to above and LU’s insolvency, if this practice were to continue there would add additional pressure on the funded status of the Pension Plan.

10. LU, in its fiduciary capacity, will mitigate this risk by transferring commuted values in accordance with the Transfer Ratio. To do otherwise would be inequitable to the active members and retirees of the Pension Plan, as it would further reduce their benefit security at a time when the Pension Plan is in deficit and LU’s future is uncertain. On this basis, LU has decided that all new retirement and termination statements prepared will indicate that commuted value transfers out of the Pension Plan are available at the Transfer Ratio based on the latest actuarial valuation report, not 100%.

11. This motion relates to the commuted value payments for the CV Interim Applicants, who are all individuals who already have received pension statements that permit them to make commuted value transfers out of the Pension Plan at 100%.

12. Upon termination or retirement from employment, LU, as administrator of the Pension Plan, through its third party administrator, Eckler Ltd., prepares and delivers to the beneficiary a package containing a retirement or termination statement, as applicable, an election form, and a request for supporting documents. The election form permits members to elect to either keep their entitlement in the Pension Plan (i.e., receive a deferred pension or, if of retirement age, an immediate pension) or to receive a commuted value. Until just after February 1, 2021, pension statements were prepared using LU's past practice of paying 100% commuted values. Commuted values, once authorized by LU, are paid by the trustee for the Pension Plan, RBC Investor Services Trust.

13. Eight former members of the Pension Plan have recently elected to receive a 100% commuted value transfer out of the Pension Plan. These elections have not been processed. A further 19 former members of the Pension Plan have received a retirement or termination statement and election form indicating they could transfer 100% of their commuted value out of the Pension Plan.

14. Together, this group of 27 former members described in paragraphs 12 and 13 are the Interim CV Applicants. If required to be transferred at 100% instead of 65.8%, the commuted values of the Interim CV Applicants would deplete the Pension Plan's assets by approximately $1.6 million.

15. The group of 27 former members includes six represented by the Laurentian University Faculty Association, six represented by the Laurentian University Staff Union, nine non-unionized staff of LU, and six who were non-unionized employees of other participating employers (SNOLab (three), MIRARCO (two), and Huntington University (one)).

16. Applying the Transfer Ratio to any commuted value transfers requested by the Interim CV Applicants, despite that they have previously received statements allowing for 100% transfers, will ensure that the Pension Plan is administered with an even-hand and in the best interests of all beneficiaries, as is required by LU's fiduciary duties. It is also consistent with the PBA which entitles former members to receive a commuted value at no less than the transfer ratio in the last actuarial valuation report, subject to ongoing monitoring of the transfer ratio.

17. To ensure they are treated equitably, LU proposes that the Interim CV Applicants have the option to re-elect to instead receive an immediate or deferred pension, as applicable, or to receive a commuted value transfer based on the Transfer Ratio. Notice of such election will be provided to each Interim CV Applicant in accordance with the draft Order contained at Tab 3 of the Motion Record.

18. The Monitor is supportive of the application of the Transfer Ratio to any commuted value transfers to be made in respect of the Interim CV Applicants.

Pension Benefits Guarantee Fund Assessment

19. A payment is due in respect of a PBGF assessment for the Pension Plan on March 30, 2021 in the amount of $919,234.66 ($851,143.20, plus provincial tax of $68,091.46). The PBGF assessment is in respect of the July 1, 2019 – June 30, 2020 Pension Plan fiscal year. This is a pre-filing period and, accordingly, the PBGF assessment is a pre-filing obligation.

20. The PBGF assessment is payable by all employers under the Pension Plan, of which LU is one. LU's *pro rata* share of the Pension Plan's solvency liabilities is 91.6%. Accordingly,

the proportion of the PBGF assessment attributable to LU is $842,018.34. The stay of the PBGF assessment payment that is sought to be confirmed will only apply to the LU portion, and not to the portion attributable to the other employers.

21. Paragraph 12 of the Amended and Restated Initial Order orders that, among other things, LU shall not make any payments on account of amounts owing by LU to any of its creditors as of the date of the Order. PBGF is a creditor on account of amounts owed with respect to pre-filing obligations.

Other Grounds

22. The provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, and the inherent and equitable jurisdiction of this Honourable Court;

23. Sections 42 and 22 of the PBA;

24. Section 19 of the Regulations;

25. Section 142 of the *Courts of Justice Act* (Ontario); and

26. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this application:

1. The Affidavit of Dr. Robert Haché sworn January 30, 2021 and Exhibits attached thereto, previously filed;

2. The Affidavit of Bobbie-Jo Brinkman sworn March 8, 2021 and Exhibits attached thereto;

3. The Second Report of the Monitor, to be filed; and

4. Such further and other evidence as counsel may advise and this Court may permit.

March 8, 2021

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Schedule "A"
Conference Details to Join Motion via Zoom

Join Zoom Meeting
https://ca01web.zoom.us/j/67075515693?pwd=WEkvVVFhR0VRaHVOL0ZxZ0IyL2M1QT09

Meeting ID: 670 7551 5693
Passcode: 007112
One tap mobile
+16132093054,,67075515693#,,,,*007112# Canada
+16473744685,,67075515693#,,,,*007112# Canada

Dial by your location
+1 613 209 3054 Canada
+1 647 374 4685 Canada
+1 778 907 2071 Canada
+1 204 272 7920 Canada
+1 438 809 7799 Canada
+1 587 328 1099 Canada
855 703 8985 Canada Toll-free
Meeting ID: 670 7551 5693
Passcode: 007112
Find your local number: https://ca01web.zoom.us/u/gck86lXun

Join by SIP
67075515693@zmca.us

Join by H.323
69.174.57.160 (Canada Toronto)
65.39.152.160 (Canada Vancouver)
Meeting ID: 670 7551 5693
Passcode: 007112

Schedule "B"

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Court File No. CV-21-00656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF MOTION
(Pension Order)

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TAB 2

Court File No.: CV-21-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Applicant

AFFIDAVIT OF BOBBIE-JO BRINKMAN
(Sworn March 8, 2021)

I, **BOBBIE-JO BRINKMAN**, of the City of Oshawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a law clerk with the firm of Thornton Grout Finnigan LLP, counsel for Laurentian University of Sudbury ("**LU**"), the Applicant in this CCAA proceeding. The facts stated herein are determined from the face of the documents that I have received, each of which are attached hereto as Exhibits.

2. Attached hereto as **Exhibit "A"** is a copy of a letter dated March 8, 2020, from Eckler Ltd., the actuary and third-party administrator of the Pension Plan ("**Eckler**"), to Normand Lavallee, the Associate Vice-President, Financial Services of LU, describing the commuted value transfers from LU's pension plan and its recommendation in respect of same, which was provided to me by Mr. Lavallee.

3. Attached hereto as **Exhibit "B"** is a copy of a letter dated March 8, 2020, from Eckler to Normand Lavallee, describing the Pension Benefits Guarantee Fund assessment in respect of LU's pension plan, which was provided to me by Mr. Lavallee.

4. I swear this Affidavit for the sole purpose of providing copies of these letters from Eckler to the stakeholders in this CCAA proceeding, and the Court, and for no other or improper purpose.

SWORN remotely via videoconference, by BOBBIE-JO BRINKMAN stated as being located in the City of Oshawa, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, this 8th day of March, 2021, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*	**BOBBIE-JO BRINKMAN**
Commissioner for Taking Affidavits, etc. Derek Harland LSO#: 79504N	

This is **Exhibit "A"**, referred to in the

Affidavit of BOBBIE-JO BRINKMAN,
sworn before me via videoconference
this 8th day of March, 2021.

Derek Harland

A Commissioner for taking Affidavits, etc.

ECKLER

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March 08, 2021

Mr. Normand Lavallée
Associate Vice-President | Vice-recteur associé
Financial Services | Services financiers
Laurentian University
935 Ramsey Lake Rd.
Sudbury, ON P3E 2C6

Dear Mr. Lavallée:

Re: Transfers of Commuted Values from the Retirement Plan of Laurentian University of Sudbury and the Federated Universities and other Employers (the "Plan")

Further to our discussion, Laurentian University (the "University") has asked us to provide comments on the transfers of commuted values from the Plan, the current status of commuted value requests, and the financial impact to the Plan of processing commuted values based on the University's past practice at this time. We are writing in our capacity as the actuary and third party administrator for the Plan.

Commuted Value Transfers

Under the Plan, members who leave their employment with the University or other participating employers may elect to convert their monthly pension to a lump sum commuted value. Except for employees hired on or after September 24, 2017, this right to a commuted value is available to employees leaving their employment at any age, not only before early retirement age as required under the *Pension Benefits Act (Ontario)* (the "PBA"). The Plan also allows former members to elect to commute their entitlements at any time following termination of employment and prior to the end of the year they reach age 71, when they must begin to receive retirement income under the *Income Tax Act*.

We prepared an actuarial valuation as of January 1, 2020. The actuarial valuation report is attached as Appendix "A" to this letter. The transfer ratio is a measure of the Plan's assets versus its liabilities as if the Plan were wound-up. The transfer ratio in the most recently filed actuarial valuation report for the Plan is 65.8%. This represents an estimated wind-up deficit in the Plan of approximately $237 million.

The PBA provides that where a pension plan has a transfer ratio of less than 100%, upon the termination of a member, the plan administrator may:

(i) transfer the commuted value at the transfer ratio from the last valuation report (which was 65.8% on the January 1, 2020 valuation date), and transfer the balance over no more than five years;

(ii) transfer the full commuted value after the employer makes additional contributions to "top-up" the deficiency between 100% and the pension plan's transfer ratio; or

(iii) transfer the full amount of the commuted value subject to certain low volume thresholds.

The University's past practice has been to transfer full commuted values out of the Plan under option (iii).

Option (iii) is such that the unfunded portion of every transfer that is paid out of the Plan is essentially "borrowed" from the rest of the assets attributable to every other Plan member. When commuted values are frequent and substantial, this has the effect of further deteriorating the Plan's financial position and creates an additional burden on Plan funding when a subsequent actuarial valuation is conducted.

In addition, if commuted value transfers to former members who elect to transfer their pension entitlements out of the Plan are processed at 100% of the commuted value in accordance with the University's past practice, there is a risk of unfairness to other beneficiaries whose entitlements remain in the Plan.

At the direction of the University, Eckler has stopped processing termination packages and the University has stopped authorizing the payment of all commuted values **temporarily,** as the implications of the University's *Companies' Creditors Arrangement Act* ("CCAA") filing are being considered. Details of the outstanding member packages and pending payments are provided later in this letter.

Given the foregoing, we agree with the recent decision of the University to resume commuted value transfers cautiously. We believe this is best addressed by option (i) above and should be based on the transfer ratio contained in the latest actuarial valuation report for the Plan.

Transfer Ratio Monitoring and Results

The transfer ratio is a measure of the Plan's assets versus its liabilities as if the Plan were wound-up. As noted, the transfer ratio in the most recently filed actuarial valuation report is 65.8%.

As a result of the market fluctuations resulting form the COVID-19 pandemic, and guidance provided by FSRA in their May 22, 2020 approach [1] document, Eckler has been providing the University with monthly updates beginning October 1, 2020 (updates were quarterly prior to this).

As of February 1, 2021, the Plan's transfer ratio is estimated to be 64.4% and over the last 12 months has dropped to as low as 62% (April 1, 2020). We expect the transfer ratio to improve when measured as at March 1, 2021 due to the increase in yields since February 1, 2021. Although we do not yet have information

[1] Limitations on Commuted Value Transfers and Annuity Purchases (DB Pension Plans) published May 22, 2020

on the Plan's investment return for February 2021 (which is likely to improve the estimated transfer ratio further), the estimated March 1, 2021 transfer ratio is 67.4%.

Current Retirement Processes and Member Elections for Commuted Value Transfers

The following summarizes the practices with respect to administering commuted value elections under the Plan.

Upon an active member indicating that they intend to retire from service, Eckler, on behalf of the University as plan administrator, prepares and delivers a retirement package containing a retirement statement, election form, and supporting documents. The retirement statement describes the monthly benefit the active member would receive immediately or at their normal retirement date if not yet age 65, as well as the commuted value of their pension entitlement. The active member must return their election and supporting forms. The election is then authorized by the University before payment (either a monthly benefit or a commuted value transfer) is made by the Plan's trustee, RBC Investor Services Trust.

If an active member terminates employment before age 55, they are provided with a termination statement outlining the estimated value of their monthly pension benefit and the commuted value of their pension, and an election form. The election form permits members to either keep their entitlement in the Plan (a deferred pension) or to transfer it out. If the member chooses to transfer their commuted value out of the Plan, they will receive additional forms that must be completed and returned to Eckler before the transfer can be authorized by the University and paid by the Plan's trustee.

Former members must submit an application form to Eckler in order to request a commuted value transfer. Once they submit the form, Eckler calculates their commuted value and then sends that information along with additional forms, to the former member. If the former member chooses to transfer their commuted value out of the Plan, they must complete the additional forms that must be returned to Eckler before the transfer can be authorized by the University and paid by the Plan's trustee.

The University directed Eckler to temporarily stop preparing pension statements and sending election forms shortly after its CCAA proceeding began on February 1, 2021. We understand the University has not authorized the transfer of a commuted value payment since February 4, 2021 but has continued to authorize the payment of monthly pension benefits as elections have been returned.

The following sets out the status of commuted value requests and inquiries as of March 1, 2021. Further inquiries have been received after March 1, 2021.

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Volume of Outstanding Commuted Value ("CV") Inquiries (as at March 1, 2021)				
Status of CV Transfer Requests	**Retirement Eligible (Member Age ≥ 55)**	**Non-Retirement Eligible (Member Age < 55)**	**Total Members**	**Total Commuted Value**
CV Election Provided and Returned Prior to February 1 (not yet authorized to be paid)	3	5	**8**	**$764,249**
CV Election Provided but not Returned Prior to February 1	4	15	**19**	**$4,045,946**
Total	**7**	**20**	**27**	**$4,810,195**

There have also been many inquiries about commuted values received from members by Eckler and we understand from your team at the University as well.

As of February 1, 2021, eight members had provided all the forms necessary for the University to authorize a commuted value transfer out of the Plan. None of these have been authorized for payment. Election forms that include commuted value amounts available for election had been issued to a further 19 members as of February 1, 2021. Together, these 27 members all received statements indicating their right to a full commuted value payment along with an election form (termination or retirement) as attached as Appendix "B".

Now that the University has made the decision to begin to pay commuted values based on the transfer ratio, we will action the University's decision by amending retirement and terminations statements to incorporate this limitation and proceed to issue those statements in the normal course. The pension plan projection tool available to members will also be amended to make this clear.

For the 27 members who have been provided with election forms already, those members could be given the option to either proceed with the transfer at the transfer ratio, or if they prefer, to re-elect a different option. Of the group of 27, only 7 are eligible to commence a retirement income, whether as a monthly pension from the Plan or by purchasing an annuity or receiving retirement income from a life income fund. The other 20 are not yet eligible to commence retirement income and even if they proceeded with a transfer at the transfer ratio, the transferred amount, would generally remain locked-in until reaching retirement age.

The group of 27 includes six members who were represented by the Laurentian University Faculty Association, six members who were represented by the Laurentian University Staff Union, nine members who were non-unionized employees of the University, three who were non-unionized employees of SNOLab, two who are non-unionized employees of MIRARCO, and one who was a non-unionized employee of Huntington University.

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If this group were to have the continued right to receive 100% of their commuted value paid in a single lump sum, rather than in two installments (65.8% now and the balance within five years) and were all to elect that option, the additional value of funds that could be transferred out of the Plan is approximately $1.6 million.

We would be pleased to consider any questions you may have.

Simon Deschênes, FSA, FCIA, CFA	Bryan Merida, FSA, FCIA
Principal and Actuary	Actuarial Consultant
Eckler Ltd.	Eckler Ltd.

Appendix “A”

REPORT ON THE ACTUARIAL VALUATION OF THE RETIREMENT PLAN OF LAURENTIAN UNIVERSITY OF SUDBURY AND ITS FEDERATED AND AFFILIATED UNIVERSITIES AS AT JANUARY 1, 2020

Registration Number 0267013

December 2020

Prepared by:

ECKLER

Simon Deschênes, FSA FCIA
Bryan Merida, FSA, FCIA

Eckler Ltd.
5140 Yonge Street, Suite 1700
Toronto, Ontario

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Report on Actuarial Valuation of the Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Universities as at January 1, 2020 (Registration Number 0267013)

Section 1. EXECUTIVE SUMMARY

We are pleased to present this report which was prepared at the request of Laurentian University ("University") for the following purposes:

1. To report on the financial position of the Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Universities (the "Plan") as at January 1, 2020;

2. To establish the minimum and maximum contributions required for the period from January 1, 2020 until the results of the next valuation are available, for which the effective date must be no later than January 1, 2023;

3. To provide the actuarial certifications required under the Pension Benefits Act (Ontario) and the federal Income Tax Act.

The intended users of this report are Laurentian University, the Financial Services Regulatory Authority of Ontario and Canada Revenue Agency. This report is not intended or necessarily suitable for purposes other than those listed above. Any party reviewing this report for other purposes should have their own actuary or other qualified professional assist in their review to ensure that the party understands the assumptions, results and uncertainties inherent in our estimates.

CHANGES SINCE PREVIOUS VALUATION

The last valuation of the Plan was prepared as at July 1, 2018. Since the last valuation, there have been no amendments to the Plan that would impact the valuation results. A summary of the Plan provisions is included in Appendix A of this report.

The going concern actuarial assumptions were also revised. In particular:

- the discount rate was decreased from 6.10% per annum to 5.85% per annum;
- the money purchase conversion rate net of inflation decreased from 2.80% per annum to 2.50% per annum;
- an explicit assumption for administration expenses of $870,000 per year was added;
- the salary inflation was updated from 2.50% per annum to the contractual salary inflation for the first three years, and 2.0% per annum thereafter; and
- The Provision for Adverse Deviations (PfAD) was increased from 7.94% to 10.28%.

See Appendix B for details of the assumptions used in this valuation and the rationale employed in setting these assumptions. See Section 3 for the impact of the changes in assumptions on the valuation results.

With the exception of the solvency economic assumptions, there were no other changes made to the actuarial assumptions used for this valuation versus those used for the previous valuation. The solvency economic assumptions were changed to reflect market conditions as at the valuation date in accordance with the CIA's Standards of Practice and the CIA's Educational Note on Assumptions for Hypothetical Wind-up and Solvency Valuations. These assumptions are summarized in Appendix C.

RELIANCE

We have relied on the asset information as disclosed in the financial statements prepared by RBC Investor & Treasury Services. We have also relied on the University to provide all relevant data and to confirm the pertinent Plan terms.

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SUMMARY OF RESULTS

(in $1,000's)	January 1, 2020	July 1, 2018
Going Concern Financial Position		
Going concern assets	$456,620	$415,917
Going concern liabilities	436,232	405,908
PfAD on actuarial liabilities	24,921	17,738
Going concern excess/ (unfunded liability)	($4,533)	($7,729)
Going concern funded ratio excluding PfAD	104.7%	102.5%
Going concern funded ratio including PfAD	99.0%	98.2%
Provision for adverse deviations ("PfAD")	10.28%	7.94%
Wind-up Financial Position		
Market value of assets net of provision for expenses	$456,235	$415,542
Hypothetical wind-up liability	$693,524	$619,292
Hypothetical wind-up excess/ (deficiency)	($237,289)	($203,750)
Transfer ratio	65.8%	67.2%
Solvency Financial Position		
Adjusted solvency assets net of provision for wind-up expenses	$459,383	$420,771
Solvency liabilities after adjustment	$534,753	$473,789
Prior year credit balance	$0	$0
New solvency excess/(deficiency)	($75,370)	($53,018)
New reduced solvency excess/ (deficiency)	$4,843	$18,050
Solvency ratio	**85.4%**	**87.8%**
Minimum Required Annual Employer Contributions in the First Year		
Current service cost as a % of pensionable earnings including PfAD	8.34%	7.08%
Current service cost contributions including PfAD[1]	$8,573	$7,218
Minimum unfunded liability special payments	$505	$1,227
Minimum solvency special payments	$0	$0
Total minimum employer contributions	$9,078	$8,445
Maximum Employer Contributions		
Current service cost contributions including PfAD[1]	$8,573	$7,218
Maximum special payments	$237,289	203,750
Total maximum employer contributions	$245,862	$210,968

[1]Current service cost includes administration expense assumption of $870,000

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This report should be filed with the Financial Services Regulatory Authority of Ontario, to meet the filing requirements of the Pension Benefits Act (Ontario) and with Canada Revenue Agency, in order to ensure that contributions recommended in the report will qualify as eligible contributions for purposes of the Income Tax Act. The next actuarial valuation of the Plan should be performed no later than January 1, 2023.

This report has been prepared and our opinions given in accordance with accepted actuarial practice in Canada.

Respectfully submitted,

Simon Deschênes, FCIA, FSA

December 24, 2020

Date

Bryan Merida, FCIA, FSA

December 24, 2020

Date

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Section 2. INTRODUCTION

The Plan was established effective July 1, 1975. The Plan has been amended from time to time, with the most recent restatement of the plan text being effective July 1, 2019.

Our report is based on the provisions of the July 1, 2019 Plan text.

SUBSEQUENT EVENTS

The Actuarial Standards Board (ASB) published amendments to the Standards of Practice (Section 3500: practice-specific standards for pension commuted values) on January 24, 2020 with an effective date no earlier than December 1, 2020. The effect, if any, of this new Standard of Practice has not been incorporated into this valuation.

Since December 31, 2019, and as of the date of this report, there have been significant fluctuations to global equity markets as well as a general decline in bond yields in connection with COVID-19. The long-term impact on the underlying assumptions and any other effects related to COVID-19 are not reflected in the valuation results and as such, the plan financial position shown in this report may be materially different if those factors were incorporated in our valuation. These effects will be revealed in future valuations.

We are not aware of any other events that occurred between the valuation date and the date this report was completed that would have a material impact on the results of this valuation

VALUATIONS INCLUDED IN THIS REPORT

In this report, we describe the results of three different valuations of the Plan:

- A "going concern valuation" which is used to estimate the funded position of the Plan, assuming the Plan is continued indefinitely, and to estimate the contributions currently required to be made to the Plan's fund, both to fund the cost of any benefits being earned by members for current service and, in the event there is a funding deficiency, to liquidate the amount of the funding deficiency.

- a "hypothetical wind-up valuation", which is intended to reflect the status of the Plan as if it had been wound up on the valuation date and the Plan members had been provided with the benefits specified by the Plan and the Pension Benefits Act (Ontario). The purpose of this valuation is to show the degree of benefit security provided for all of the Plan members' accrued benefit by the current assets of the pension fund. The hypothetical wind-up valuation is not used to determine the required contributions to the Plan.

- A "solvency valuation", which is required by the Regulations under the Pension Benefits Act (Ontario). This valuation is similar to a hypothetical wind-up valuation, except that certain adjustments may be made to the assets and liabilities. The solvency valuation does affect the required contributions to the Plan. If the solvency valuation reveals that there is a "reduced solvency deficiency" (as defined in the Regulations), then additional contributions must be made to the Plan.

The difference between the hypothetical wind-up and solvency valuations for this Plan relates to the value of assets that are included in the valuation and the benefits included in the liabilities. In the hypothetical wind-up valuation, the only assets taken into account are the invested assets of the Plan, which are taken at their market values net of provision for wind-up expenses. In the solvency valuation, in addition to the Plan's invested assets net of a provision for wind-up expenses, the present value of all special payments that are scheduled to be made for the next five years from the valuation date is also taken into account. Furthermore, in respect of the solvency liabilities, expected escalated adjustments to pensions in pay have been excluded for the purpose of the solvency valuation.

FILING REQUIREMENTS

The last filed actuarial report was effective July 1, 2018. This report outlines the movements of the Plan's financial position since the previous valuation as at July 1, 2018 and is to be filed with the Financial Services Regulatory Authority of Ontario and Canada Revenue Agency. The report covers the period from January 1, 2020 to January 1, 2023 and is to be used by the Company to determine its funding requirements during that period or until the next actuarial valuation is performed, if sooner. The next actuarial valuation of the Plan should be performed with an effective date no later than January 1, 2023.

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Section 3. GOING CONCERN VALUATION

VALUATION BALANCE SHEET

The following is the going concern valuation balance sheet as at January 1, 2020 based on:

- the Plan provisions (summarized in Appendix A);
- the going concern valuation assumptions (described in Appendix B); and
- the membership data (summarized in Appendix D); and
- the actuarial value of assets (summarized in Appendix E).

with comparative figures from the valuation as at July 1, 2018.

In accordance with the Regulations, the going concern valuation must also reflect a specific PfAD, which is to be applied to the going concern liabilities and current service cost. The calculation of the PfAD is detailed in Section H of this report.

(in $1,000's)	January 1, 2020	July 1, 2018
Market Value of Defined Benefit assets	$323,141	$283,342
In-transit receivables/(payables)	521	1,470
Present value of special payments	893	1,191
DB actuarial value of assets	$324,555	$286,003
DC assets	132,958	131,015
Total going concern assets	$457,513	$417,108
Going Concern Liabilities		
Retired members and survivors	$161,287	$152,126
Terminated vested members	8,317	5,078
Active and LTD members	133,670	115,797
Total going concern liabilities including future indexation	$303,274	$273,001
Actuarial liabilities associated with future indexation	60,849	49,603
In-transit liabilities	0	1,802
Total going concern liabilities excluding future indexation	$242,425	$223,398
PfAD %	10.28%	7.94%
PfAD on actuarial liabilities excluding future indexation	$24,921	$17,738
DB actuarial liabilities plus PfAD	$328,195	292,541
Defined contribution balances	$132,958	$131,105
Total going concern liabilities including future indexation and PfAD	$461,153	$423,646
Going Concern Excess/ (Unfunded Liability)	($3,640)	($6,538)
Prior Year Credit Balance	0	0
Going Concern Excess/(Unfunded Liability) after application of Prior Year Credit Balance	($3,640)	($6,538)
Going Concern Funded Ratio	104.7%	102.5%

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The going concern funded ratio is the ratio of the going concern assets excluding the present value of special payments less the prior year credit balance to the going concern liabilities excluding PfAD.

The unfunded actuarial liability, $3,640,000, disclosed as at January 1, 2020 must be liquidated over a period not exceeding 10 years commencing one year after the valuation date. The minimum annual contribution to fund this unfunded liability is $505,000, payable monthly.

The table below sets out the schedule of going concern special payments that are required to liquidate the unfunded liabilities as at the valuation date:

Payment Type	Date Established	Start of Liquidation Period	End of Liquidation Period	Annual Payment (payable monthly)	Present Value on Valuation Date
Unfunded Liability from prior valuation					
Going Concern	July 1, 2018	July 1, 2019	Dec. 31, 2020	$919,000	$893,000
Unfunded Liability					
Going Concern	Jan. 1, 2020	Jan. 1, 2021	Dec. 31, 2031	$505,000	$3,640,000

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EXPERIENCE GAIN AND LOSS

(in $1,000's)		
Going concern (unfunded liability)/excess at July 1, 2018		($6,538)
PfAD and Present Value of special payments		16,548
Going concern (unfunded liability)/excess at July 1, 2018 (excluding PfAD and prior year credit balance)		$10,010
Total PfAD contributions made in inter-valuation period		$1,330
Total special payments made in inter-valuation period		1,716
Interest during inter-valuation period at 6.10%		1,090
Expected (unfunded liability)/excess January 1, 2020 (excluding PfAD)		$14,146
Plus actuarial (losses)/gains due to experience differing from assumed during the inter-valuation period:		
▪ (Loss)/gain on DC accounts other that assumed	1,568	
▪ (Loss)/gain on interest on DB accounts	(142)	
▪ (Loss)/gain attributable to net investment experience	6,483	
▪ (Loss)/gain on salaries, ITA and the YMPE increasing at a different rate than expected	3,812	
▪ (Loss)/gain on terminations other than assumed	1,363	
▪ (Loss)/gain on retirements other than assumed	(341)	
▪ (Loss)/gain on pensioners mortality other than expected.	1,169	
▪ (Loss)/gain on indexing other than assumed	(351)	
Net actuarial experience (loss)/gain		$13,561
(Loss)/gain due to changing the salary assumptions		9,627
(Loss)/gain due to discount rate		(10,231)
(Loss)/gain due to change in CV assumptions		(5,608)
Other experience		(1,107)
PfAD and Present Value of special payments		(24,028)
Going concern (unfunded liability)/excess at January 1, 2020 (including PfAD and after application of prior year credit balance)		**($3,640)**

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CURRENT SERVICE COST

The table below summarizes the employer's estimated current service contribution as at January 1, 2020 assuming pensionable earnings at the January 1, 2020 rate of $102,803,000, with comparative figures from the prior valuation as at July 1, 2018.

	January 1, 2020	July 1, 2018
Estimated total current service cost with future indexation	$14,059,000	$13,897,000
Cost of indexation in current service cost	$2,357,000	$2,180,000
Estimated total current service excluding future indexation	$11,385,000	$11,717,000
PfAD on total current service cost (excluding future indexation)	$1,170,000	$904,000
Estimated member contributions	$7,615,000	$7,583,000
Estimated Employer current service cost including PfAD	$7,614,000	$7,218,000
Estimated pensionable earnings	$102,803,000	$101,953,000
Employer current service cost as a % of pensionable earnings including PfAD	7.41%	7.08%
Administration expense provision	$870,000	$0
PfAD on administration expense provision	$89,000	$0
Total Employer Current Service Cost	$8,573,000	$7,218,000

SENSITIVITY ANALYSIS

Below we show the impact on the going concern actuarial liability and the current service cost as at January 1, 2020 of a one percentage point change in the discount rate assumption. All other assumptions were kept unchanged.

	Discount rate 1% lower	Discount rate 1% higher
Change in total going concern actuarial liability (excluding PfAD)	$45,773,000 10.49%	($36,270,000) (8.31%)
Change in total current service cost (excluding provisions for expenses and adverse deviations)	$2,870,000 20.4%	($2,226,000) (15.8%)

SUBSEQUENT EVENT SINCE JANUARY 1, 2020

We are not aware of any events that occurred between the valuation date and the date this report was completed that would have a material impact on the results of this valuation.

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Section 4. HYPOTHETICAL WIND-UP VALUATION

The purpose of the hypothetical wind-up valuation is to determine the financial position of the Plan if it were wound up on the valuation date by the Company. Accordingly, the following approach was used:

1. The Plan assets were valued at their market value.

2. The benefits valued were the pensions to which members would be entitled under applicable legislation and the Plan if the Plan were wound up on the valuation date. All Plan members become fully vested on Plan wind-up, regardless of age or service.

3. We determined the amount of each member's DB pension based on service and earnings to the valuation date. The DB pension would be payable without reduction for early retirement at age 62 for all current active members and for those deferred vested members who terminated after February 16, 1996. For deferred vested members who terminated on or before February 16, 1996, the earliest date for an unreduced vested pension is the July 1 coincident or next following the member's 65th birthday. We assumed that each member would retire at the optimum pension start age (i.e. the age that produces the highest commuted value, taking into account the early retirement reduction factors in the Plan).

4. The actuarial assumptions are developed in accordance with the Canadian Institute of Actuaries' (CIA's) Standard of Practice Section 3500 for determining Pension Commuted Values, and the Educational Note - Assumptions for Hypothetical Wind-up and Solvency Valuations with Effective Dates between December 31, 2019 and December 30, 2020. These assumptions are described in detail in Appendix C.

5. The value of post-retirement indexing was included in the wind-up liabilities but excluded in the solvency liabilities.

6. The values of the vested pensions are not discounted for termination of employment, death or disability before the pension start date.

7. The University will continue in operation after the wind-up of the Plan.

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Based on the Plan provisions in effect on January 1, 2020, the wind-up valuation assumptions mentioned above and the membership data supplied by the University, the following is the wind-up position as at January 1, 2020, with comparative figures from the valuation as at July 1, 2018:

(in $1,000's)	January 1, 2020	July 1, 2018
Wind-up Assets		
DB Market value of assets	$323,141	$283,342
In-transit receivables/(payables)	521	1,470
Allowance for wind-up expenses	(385)	(375)
Market value of DC assets	132,958	131,105
Total wind-up assets	$456,235	$415,542
Wind-up Liabilities		
Retired members and survivors	$234,056	$231,840
Terminated vested members	19,347	12,694
Active and LTD members	307,163	241,851
In-transit liabilities	0	1,802
DB wind-up liabilities	$560,566	$488,187
DC liabilities	132,958	131,105
Total wind-up liabilities	$693,524	$619,292
Wind-up excess/ (deficiency)	($237,289)	($203,750)
Prior year credit balance	0	0

As shown above, if the Plan had terminated at January 1, 2020, we estimated that the wind-up liabilities would have exceeded the wind-up assets by $237,289,000.

HYPOTHETICAL WIND-UP VALUATION SENSITIVITY ANALYSIS

If the hypothetical wind-up discount rate changed by 1% from the assumptions described in Appendix C, and all other assumptions remained the same, the total hypothetical wind-up liabilities would change as follows:

	Discount rate 1% lower	Discount rate 1% higher
Change in wind-up liabilities	$126,649,000 18.3%	($96,645,000) (13.9%)

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INCREMENTAL COST

In accordance with the Canadian Institute of Actuaries' Standard of Practice, we have estimated the incremental cost of the hypothetical wind-up liability as at January 1, 2020. This is the expected aggregate change in hypothetical wind-up liability between January 1, 2020 and January 1, 2023. The incremental cost is the present value, at the valuation date, of the expected aggregate change in the hypothetical wind-up or solvency liability between the valuation date and the next valuation date. It also reflects expected benefit payments between the valuation date and the next valuation date.

	3 year
Incremental Cost	54,816,000

The Actuarial Standards Board (ASB) published amendments to the Standards of Practice (Section 3500: practice-specific standards for pension commuted values) on January 24, 2020 with an effective date no earlier than December 1, 2020. The effect, if any, of this new Standard of Practice has not been reflected in this calculation.

The incremental cost does not impact the funding requirements of the Plan under the Pension Benefits Act of Ontario and is for information purposes only.

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Section 5. SOLVENCY VALUATION

The table below shows the solvency position of the Plan as at January 1, 2020. The calculations are based on the Plan provisions in effect on the valuation date, including the solvency valuation assumptions described in Appendix C, and the membership data supplied by the Company.

The solvency valuation is similar to the hypothetical wind-up valuation except for the adjustments to the assets and the solvency liability adjustment, as noted on page 8.

(in $1,000's)	January 1, 2020	July 1, 2018
Solvency Assets		
DB Market value of assets	$323,141	$283,342
In-transit receivables/(payables)	521	1,470
Allowance for wind-up expenses	(385)	(375)
Present value of special payments to eliminate going-concern deficiency	3,148	5,229
DB Solvency Assets	$326,425	$289,666
DC assets	132,958	131,105
Total solvency assets	$459,383	$420,771
Solvency Liabilities		
Retired members and survivors	$176,065	$169,110
Terminated vested members	12,742	7,791
Active and LTD members	212,988	163,981
In-transit liabilities	0	1,802
DB solvency liabilities	$401,795	$342,684
DC liabilities	132,958	131,105
Total wind-up liabilities	$534,753	$473,789
Prior year credit balance	0	0
New solvency excess/ (deficiency) arising during the year	($75,370)	($53,018)
New reduced solvency excess/ (deficiency) arising during the year	$4,843	$18,050
Total reduced solvency excess/(deficiency) excluding present value of special payments at the valuation date	$1,695	$12,821
Solvency Ratio	**85.4%**	**87.8%**

The new reduced solvency excess/ (deficiency) arising during the year is equal to the solvency assets plus the solvency asset adjustment minus 85% of the solvency liabilities minus 85% of the solvency liability adjustment minus the prior year credit balance.

The solvency ratio is the ratio of the solvency assets plus the total amount of letters of credit less the prior year credit balance to the solvency liabilities.

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Under the new funding rules, solvency special payments are only required for plans that have a reduced solvency deficiency. If the solvency ratio falls below 85%, only the portion of the deficiency that falls below the 85% threshold needs to be amortized.

The total reduced solvency deficiency to be funded at the valuation date is the sum of the new reduced solvency deficiency arising during the year and the present value of special payments established at prior valuations that are still scheduled to be paid over the next five (or six if applicable) years.

Since there is a reduced solvency excess, no solvency special payments are required.

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Section 6. ELIGIBLE CONTRIBUTIONS

The table below summarizes the minimum required monthly employer contributions under the Ontario Pension Benefits Act and estimated member contributions for three years commencing January 1, 2020, assuming the number of actively employed members remains at the January 1, 2020 level and the pensionable earnings remain at the January 1, 2020 rate of $102,803,000.

	Monthly Contributions		
	2020	2021	2022
Estimated pensionable earnings*	$8,567,000	$8,567,000	$8,567,000
Total employer current service cost as a % of pensionable earnings	8.34%	8.34%	8.34%
Estimated employer current service cost, including PfAD	$634,500	$634,500	$634,500
Administration expense provision, including PfAD	$80,000	$80,000	$80,000
Estimated total employer current service cost	$714,500	$714,500	$714,500
Special payments:			
- Unfunded actuarial liability	$76,600	$42,100	$42,100
- Reduced solvency deficiency	$0	$0	$0
Total employer required contributions prior to application of Prior Year Credit Balance	$791,100	$756,600	$756,600
Estimated member contributions	$634,600	$634,600	$634,600

*assuming no future salary increase for three years after valuation date

The actual dollar amount of current service contribution for the years following the valuation date may be higher or lower than the amounts indicated above if the actual pensionable earnings are different than assumed.

MAXIMUM CONTRIBUTIONS

At the University's option, the University may choose to fund at a higher level than the minimum requirement stated above. The maximum tax-deductible contributions the University could make is equal to the sum of:

1. A lump sum equal to the greater of the unfunded actuarial liability and the windup deficiency, which was $237,289,000 as of January 1, 2020; plus

2. The annual current service contributions, administration expense provision and PfAD as shown above.

Under Ontario pension legislation, all contributions due to the Plan should be remitted monthly. Employee and Employer current service cost contributions are due within 30 days following the end of the relevant month.

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Section 7. PENSION BENEFIT GUARANTEE FUND ("PBGF") –

For the purposes of the Regulations under the Pension Benefits Act (Ontario), the PBGF assessment base and liabilities for the year following the valuation are calculated as follows:

PBGF liabilities	$534,753,000	A
Total solvency liabilities	$534,753,000	B
Ontario asset ratio	100%	C = A/B
Market value of assets	$456,620,000	D
Ontario portion of assets	$456,620,000	E = C x D
PBGF assessment base	$78,133,000	F = A - E

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Section 8. TRANSFER RATIO

The "transfer ratio" for purposes of the Regulations under the Pension Benefits Act (Ontario) is the ratio of:

- The solvency assets minus the lesser of the prior year credit balance and the sum of the minimum contributions required under the Regulation until the next valuation date, $456,260,000
- to the solvency liabilities plus the excluded solvency liabilities, $693,524,000

As at January 1, 2020, the transfer ratio for the defined benefit portion of the Plan was determined to be 65.8%.

The Regulations under the Pension Benefits Act (Ontario) provide that, if the transfer ratio is greater than 100%, transfers of commuted values to terminating employees may be made in full, immediately. If the transfer ratio is less than 100%, the administrator can choose to do one of the following:

1. transfer a portion of the commuted value on the basis of the most recently determined transfer ratio and pay the portion held-back in instalments, with interest, over a 5-year period; or

2. transfer the full commuted value after an amount equal to the portion of the transfer deficiency based on the most recently determined transfer ratio has been remitted to the plan; or

3. transfer the full amount if the total of all amounts that should be held back for all transfers made since the last transfer ratio was determined is less than 5% of the assets of the Plan at that time.

However, if the transfer ratio is less than 100% and the administrator knows or ought to know that since the date of the last filed valuation the transfer ratio has fallen by 10% or more of the most recently determined transfer ratio, then no commuted values can be paid out of the plan until approval is obtained from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario. Once given, the administrator can choose to do one of the above, or an alternative method approved by the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario.

Under the Regulations, an actuarial report on a pension plan indicates “solvency concerns” if the ratio of the solvency assets to the solvency liabilities is less than 85%. If a report indicates solvency concerns, the next actuarial valuation must be performed within one year of the current valuation date. Otherwise, the next valuation is not due until three years following the current valuation date.

Since the ratio of the solvency assets to the solvency liabilities is more than 85%, an annual valuation is not required. Thus, the effective date of the next valuation must be no later than January 1, 2023.

Section 9. ACTUARIAL OPINION

With respect to the Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Universities (Registration Number: 0267013) forming part of the actuarial report dated December 2020 and based on a valuation of the Plan as at January 1, 2020:

In our opinion, in respect of the going concern valuation, the hypothetical wind-up valuation and the solvency valuation,

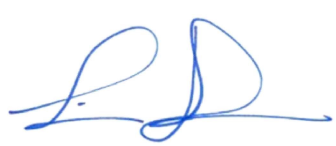
a) the membership data on which the valuations are based are sufficient and reliable for the purposes of the valuations;
b) the assumptions are appropriate for the purposes of the valuations; and
c) the methods employed in the valuations are appropriate for the purposes of the valuations.

This report has been prepared, and our opinions given, in accordance with accepted actuarial practice in Canada.

Notwithstanding the foregoing opinion, emerging experience differing from the assumptions will result in gains or losses which will be revealed in future valuations.

This report has been prepared in a manner consistent with the recommendations for the preparation of actuarial valuation reports issued by the Canadian Institute of Actuaries.

This report has been prepared in accordance with applicable legislation.



Simon Deschênes
Fellow, Canadian Institute of Actuaries

Bryan Merida
Fellow, Canadian Institute of Actuaries

December 2020

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Appendix A. SUMMARY OF PLAN PROVISIONS

This appendix describes the provisions of the Plan, as amended to January 1, 2020 that had a significant effect on the results of the valuation.

EFFECTIVE DATE

July 1, 1975.

PLAN YEAR

The records of the Plan are maintained on a fiscal year basis ending on June 30 of each year.

ELIGIBILITY AND MEMBERSHIP

a) Except as provided in paragraph (b) below, all employees of Laurentian University and its federated and affiliated universities must join the Plan not later than the first day of the month coincident with or immediately following the date they become a full-time employee.

b) Full-time employees of Huntington University and the University of Sudbury and non-teaching full-time employees of Thorneloe University are eligible to join the Plan upon entering the service of one of those employers if they are then age 25 or over. Such employees who are hired below age 25 become eligible to join the Plan upon attaining age 25 or completing one year's service, if earlier.

   All eligible full-time employees hired since July 1, 1975 must join the Plan not later than on the first day of July following the later of attainment of age 30 or completion of one year's service.

Employees in the Faculty of Education who are and continue to be members of the Ontario Teachers' Pension Plan are not eligible to join this Plan.

The University has the option of waiving mandatory immediate participation in the Plan for any specific employee or group of employees.

CONTRIBUTIONS

Each plan member is required to make contributions to the DB Fund as follows:

“Staff Members”:

- 9.9% of Pensionable Earnings that is below the year’s Basic Exemption; plus
- 6.4% of Pensionable Earnings between the year’s Basic Exemption and the YMPE; plus
- 9.9% of Pensionable Earnings in excess of the YMPE.

“Faculty members”:

- 8.2% of Pensionable Earnings that is below the year’s Basic Exemption; plus
- 6.4% of Pensionable Earnings between the year’s Basic Exemption and the YMPE; plus
- 8.2% of Pensionable Earnings in excess of the YMPE.

The employer is also required to contribute amounts sufficient to meet the current service costs and amortize any unfunded liabilities of the DB Fund in such a manner as to comply with the funding requirements of the Pension Benefits Act (Ontario). Total employer contribution must equal at least 7.5% of Plan earnings.

MONEY PURCHASE ACCOUNTS

For members with Hybrid benefits, a separate account is kept of their share of the DC fund. The initial balances of those accounts for each active member who joined the Plan as of July 1, 1975 and for each member of the prior Plan whose employment terminated before that date with entitlement to a deferred vested pension was equal to about 203% of the member's accumulated basic contributions to the prior Plan with interest to June 30, 1975 at the prior Plan rate of 4% per year. Those accounts are also credited with the members' and the employer's DC contributions made since July 1, 1975 plus investment income or less investment losses at the actual rates earned or lost on the market value of the assets of the Plan, including realized and unrealized capital changes. Contributions are no longer allowed to members' money purchase accounts.

Separate accounts are also kept of the members' voluntary additional contributions, transfers from the retirement plans of other employers and investment income or loss thereon.

RETIREMENT DATES

Normal retirement is on the first day of July coincident with or immediately following attainment of age 65 but may be advanced to any 30th day of June following attainment of age 55 or postponed beyond normal retirement date.

RETIREMENT BENEFITS

The normal annual pension (payable monthly) to a retiring member is the sum of:

- the member's Hybrid benefit (if applicable), which is the sum of (1) the DC pension that can be provided by the amount in the member's DC account, and (2) the supplementary pension which is the excess, if any, of the DB pension over the DC pension for service up to the date the member starting earning benefits on a pure DB basis; plus

- the DB pension for service after the member started earning benefits on a pure DB basis in the Plan.

In the case of a member who retires on the normal retirement date with a life guaranteed 10 years form of payment, the DB pension is the sum of:

1. 0.75% of such best average earnings up to the average YMPE at the time of retirement plus 1.75% of such best average earnings in excess of the average YMPE, multiplied by the number of years that he or she contributed to the prior Plan between July 1, 1966 and June 30, 1975; plus

2. 1.3% of such best average earnings up to the average YMPE at the time of retirement plus 2% of such best average earnings in excess of the average YMPE, multiplied by the number of years that he or she contributed to the Plan since July 1, 1975.

The average YMPE is the average of the maximum pensionable earnings of the Canada Pension Plan in the year of retirement and the preceding two years.

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If a member has made voluntary additional contributions or amounts have been transferred on the member's behalf from the retirement plans of other employers, the accumulated value of those contributions or amounts is paid to the member in a lump sum at retirement.

POST-RETIREMENT ESCALATION

Pensions provided by the Plan increase once a year after they have started at the lesser of 3% per year or the rate at which the Consumer Price Index is increasing. Members who retired prior to July 1, 1996 receive a fixed increase of 3% per year.

EARLY RETIREMENT

If a member retires before the normal retirement date, the DB pension is subject to an early retirement reduction. The reduction is waived if the member had attained age 62. Otherwise, it is 0.5% for each month or part thereof by which the early retirement date precedes the member's 62nd birthday.

POSTPONED RETIREMENT

In the case of postponed retirement, members may elect to stop or to continue making contributions beyond the normal retirement date. In any event, the pension does not commence until after the member's actual retirement date or the date as defined by Subsection 8502(e) of the Income Tax Regulations (Canada).

FORM OF PENSION

Life guaranteed ten years; optional forms of payment are available on an actuarially equivalent basis.

TERMINATION OF EMPLOYMENT

A member who terminates employment other than by retirement, death or disability is entitled to elect either one of the following two options:

1. a fully vested pension (including the supplementary pension, if any) commencing on the normal retirement date; or

2. a locked-in transfer of the commuted value of the member`s benefits and voluntary and transfer accounts to a new employer`s pension plan or to an individual registered retirement savings plan.

DEATH BENEFITS

At the death of a member before retirement, his or her spouse or beneficiary is entitled to:

- a refund of the amount of the member's DC, voluntary and transfer accounts at the time of death plus the commuted value of the member's accrued supplementary pension, if any, for Hybrid service; plus
- the commuted value of the DB benefit for pure DB service.

At the death of a retired member, the death benefit depends on the form of payment elected by the member at retirement.

DISABILITY BENEFITS

A member who becomes entitled to benefits under the employer's long term disability insurance plan remains a member of the pension plan but employee contributions cease to the DB fund. For the purposes of calculating such a member's DB pension, the period that he or she received benefits from the long term

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disability plan is considered to be a period of contributory service during which the member's Plan earnings continued at the same rate that they were immediately before the member became disabled.

MAXIMUM BENEFITS

The DB pension per year of service may not exceed one-ninth of the money purchase limit, as defined in the Income Tax Act, for the year in which the pension starts.

ADMINISTRATION

The Plan is administered by Laurentian University in consultation with a pension committee consisting of sixteen persons:

- three are appointed by the Laurentian University Faculty Association
- one is appointed by the Laurentian University Administrative and Professional Staff Association
- two are appointed by the Laurentian University Staff Union
- one is appointed by Huntington University
- one is appointed by Thorneloe University
- one is appointed by the University of Sudbury
- three are appointed by the Principal Employer
- the Executive Director of Financial Services (who is a non-voting member)
- the Manager, Pension and Benefits of the Principal Employer (who is a non-voting member)
- the Executive Director of Human Resources and Organizational Development (who is a non-voting member)
- one is appointed by the Laurentian University Faculty Association – Retirees (who is a non-voting member)

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Appendix B. ASSUMPTIONS AND METHODS – GOING CONCERN

SUMMARY OF ASSUMPTIONS

	January 1, 2020	July 1, 2018
ECONOMIC ASSUMPTIONS		
Discount rate:	5.85%, net of investment-related expenses that are paid from the assets of the Plan	6.10%, net of investment-related expenses that are paid from the assets of the Plan
Interest on member contributions per year:	3.50%	3.25%
Inflation rate:	2.0% per year	2.0% per year
Salary increase:	See Table A below	2.5% per year
YMPE increase:	2.5% per year from the 2020 level of $58,700	2.5% per year from the 2018 level of $55,900
Income Tax Act (ITA) maximum pension limit increase:	$3,092.22 in 2020 and increasing by 2.5% per year thereafter	$2,944.44 in 2018 and increasing by 2.5% per year thereafter
Seniority scale:	See Table B below	See Table A below
Money purchase conversion/ commuted value interest rate:	4.50% per annum; with an inflation rate of 2.00% per annum (net rate of 2.50% per annum)	4.10% per annum with an inflation rate of 1.25% per annum (net rate of 2.8%)
Money purchase conversion unisex basis:	60% male	60% male
Expenses (Administrative)	$870,000 per annum	N/A
(Investment)	Discount rate reduced by 0.10% for investment expenses	Discount rate reduced by 0.10% for investment expenses

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DEMOGRAPHIC ASSUMPTIONS

Mortality:	2014 Canadian Pensioner Mortality Public Table (adjusted 115% male,105% female) with projection scale CPM-B	2014 Canadian Pensioner Mortality Public Table (adjusted 115% male,105% female) with projection scale CPM-B
Disability rates:	None	None
Retirement rates:	See Table C below	See Table B below
Termination rates:	See Table D below	See Table C below

Table A – Salary Increases

Year	LUAPSA Members	LUFA Members	LUSU members
2020	0.00%	1.00%	0.00%
2021	0.00%	1.00%	0.00%
2022	0.00%	1.00%	1.00%
2023+	2.00%	2.00%	2.00%

Table B – Seniority Scale

FOR LUAPSA MEMBERS:

Service (years)	Seniority Rates
0-3	0.0330
4	0.0320
5+	0.0000

FOR LUFA MEMBERS (SAMPLE RATES):

Service (years)	Seniority Rates
0	0.0340
4	0.0267
8	0.0215
12	0.0089
13+	0.0000

FOR LUSU MEMBERS:

Service (years)	Seniority Rates
0-5	0.0227
6+	0.0000

Table C – Retirement Rates

Age	Academic Employees	Other
62	10%	25%
63	5%	25%
64	5%	25%
65	50%	50%
66	25%	50%
67	25%	100%
68	25%	
69	25%	
70	50%	
71	100%	

Table D – Termination Rate (sample rates)

Age	Male Rates	Female Rates
25	0.2240	0.2670
35	0.0600	0.0720
45	0.0432	0.0525
55	0.0000	0.0000

ACTUARIAL COST METHOD

As with the previous valuation, we used the projected unit credit actuarial cost method to determine the going concern actuarial liabilities of the Plan and the employer's current service cost in respect of the defined benefit provision of the Plan. Under this method, the actuarial liabilities consist of the present value of pensions in payment and vested deferred benefits for terminated members, plus that portion of the future benefits expected to be paid to present members which are related to their credited service up to the valuation date. Amounts of pension are determined based on each member's projected final average earnings. If the value of these actuarial liabilities plus the PfAD exceeds the actuarial value of the assets (determined as described below), the excess is defined as the unfunded actuarial liability and is funded by fixed special payments over a specified period or periods.

The employer's current service cost for the defined benefit provision for the year following the valuation date is the present value of benefits accrued by Plan members with respect to their service in that year.

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The characteristics of this actuarial cost method are that it matches year-by-year costs of benefits expected to be accrued by the Plan members each year to the contributions required for those years and since it results in a pattern of progressively increasing costs for an individual employee as that employee ages, it may also result in progressively increasing costs for the Plan as a whole if the average age profile of the Plan membership increases from year to year.

ASSET VALUATION METHOD

As with the previous valuation, we used the market value of assets adjusting for amounts in transit and amounts payable.

Appendix E shows the reconciliation of the market value of assets from July 1, 2018 to January 1, 2020.

BENEFITS VALUED

The benefits valued were those in effect at the valuation date. A summary of the Plan provisions is provided in Appendix A.

RATIONALE

Economic Assumptions

The selection of the economic assumptions (i.e. those related to interest rates and inflation) for this valuation was based on reasonable expectations for the relationships between key economic variables over the long-term, as well as the expected impact of those economic variables on the investment performance of the pension fund given the fund's Statement of Investment Policies and Procedures.

Discount Rate Development

The going concern discount rate is determined based on expected long-term capital market returns, standard deviations and correlations for each major asset class noted in Appendix D (universe bonds, Canadian equities, global equities, etc.). These long-term expectations are determined using a stochastic model which projects rates of inflation, bond yields and asset class returns for 5,000 paths over a long-term projection horizon. Based on the plan's target asset mix, and assuming annual rebalancing, the simulated going concern discount rate is determined as the annualized median return over the projection horizon.

We have assumed that there will be no added-value returns from the active management strategy employed in excess of the associated additional investment management fees.

Based on the methodology described above, the going concern discount rate assumption was developed as follows:

	Discount rate
Simulated gross investment return	5.95%
Provision for investment related expenses	(0.10%)
Estimated net investment return rate before margin	5.85%
Rounding	0.00%
Going concern discount rate assumption	5.85%

Because the assumptions are intended to represent expected economic conditions over long periods of time, covering several decades, it is anticipated that any change in the assumptions will be justified by new

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economic conditions that are likely to persist over the long-term, rather than by short-term fluctuations in the financial markets, as well as, the underlying objectives adopted by the University for the funding of the Plan's benefits.

An explicit provision has been made in the current service cost for administrative expenses expected to be paid from the pension Plan. The assumed level is equal to the average of the expenses paid from the pension Plan over the last 3 calendar years.

For salary increases, we have assumed contractual salary increases dependent on employee groups in the first three year following the valuation. For employee groups where contracts are still being finalized, we have assumed a maximum increase of 1.00% per year for the first three years as per Bill 124. For future years thereafter, we assumed that the real economic growth in salary is equal to the assumed inflation rate of 2.00% per year. We have based our assumed inflation rate on our estimate of future inflation considering the Bank of Canada's inflation control target of 1% to 3% per year.

The increase in the yearly maximum pensionable earnings ("YMPE") was assumed to grow at a real economic rate of 0.5% above the assumed inflation rate, which leads to a long-term assumption of 2.50% for YMPE increases. The Income Tax Act benefit limit after 2020 was also increased at the same rate as the YMPE.

Employee contributions are increased with interest at the 5-year personal fixed term deposit rates. To estimate this amount, we projected 5-year government of Canada Bonds using the same stochastic approach used for the discount rate. We then took the average historical ratio of the 5-year personal fixed term deposit rates to the 5-year government of Canada Bonds over the past ten years, which was approximately 100%, and applied it to the projected 5-year government of Canada Bond rate, resulting in a crediting rate of 3.50% per annum for DB employee contributions with interest. The previous valuation assumed a rate of 3.25% per annum. DC employee contributions were credited at the going concern discount rate of 5.85% per annum.

When members retire, their DC accounts are converted to pensions using actuarial factors that are similar to those prescribed for use in calculating commuted values in defined benefit pension plans. The interest rates used in the calculation of these actuarial factors vary from month to month to reflect market conditions. For this valuation, the gross DC conversion interest rate was assumed to be 4.50% per annum, with an inflation rate of 2.00% per annum. This rate was the median rate of the estimated projected commuted value rates using a stochastic projection of Government of Canada bonds for 5,000 paths over 30 years. The previous valuation assumed a rate of 4.10% per annum with an inflation rate of 1.25% per annum for DC conversions.

In our view, the economic assumptions we have used for the going concern valuation remain within an acceptable range that would be considered by actuaries to be appropriate for the current circumstances of the Plan.

Demographic Assumptions

Most of the demographic assumptions used for this valuation were based on the Plan's experience. For mortality, the 2014 Canadian Pensioners Mortality Public Table (CPM Public) adjusted (115% male and 105% female) with generational projections using improvement scale CPM-B was used. This was based on the results of a mortality analysis conducted by Club Vita Canada in 2016. The key result of the longevity analysis were baseline mortality curves called “VitaCurves” applicable to the membership of the Plan. Rather than using the VitaCurves for valuation purposes, the VitaCurves were translated into adjustments to the 2014 Canadian Pensioner Mortality Private table.

For retirement, the rates were developed as our expectation of the best estimate rates of retirement based on experience studies previously conducted for the Plan in 2016.

For terminations, the rates were developed as our expectation of the best estimate rates of termination based on experience studies previously conducted for the Plan in 2013. All terminations are assumed to be triggered by the voluntary resignation of members from employment with the University.

As in the previous valuation, we set up a liability in the DB Fund for all members who were receiving LTD benefits on the valuation date. In doing so, we assumed that they would all remain disabled until retirement. We did not include specific costs for disability benefits that may become payable as the result of future disabilities among active employees.

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Appendix C. ASSUMPTIONS AND METHODS – HYPOTHETICAL WIND-UP AND SOLVENCY

	January 1, 2020	July 1, 2018
ECONOMIC ASSUMPTIONS		
Discount rate (Hypothetical Wind-up Basis):		
• Annuity purchase basis	2.96% per year	3.10% per year
• Duration for annuity purchase rate	11.3	12.6
• Transfer value basis	2.50% per year for 10 years and 2.60% per year thereafter	2.90% per year for 10 years and 3.20% per year thereafter
Indexation:	Active and deferred vested members: 0.79% per annum for 10 years, 0.88% thereafter for the wind-up valuation (no indexation assumed for the solvency valuation)	Active and deferred vested members: 1.08% per annum for 10 years, 1.38% thereafter for the wind-up valuation (no indexation assumed for the solvency valuation)
	Pensioners: 3.0% per annum during the payment period for the wind-up valuation	Pensioners: 3.0% per annum during the payment period for the wind-up valuation
Blended rate used to determine solvency special payments:	2.82%	3.04%
Salary increase:	None	None
YMPE increase:	$58,700 for 2020. No increase in YMPE	$55,900 for 2018. No increase in YMPE
ITA maximum pension limit increase:	$3,092.22 per year of pensionable service	$2,944.44 per year of pensionable service
DEMOGRAPHIC ASSUMPTIONS		
Mortality:	2014 Canadian Pensioner Mortality Combined Table with projection scale CPM-B	2014 Canadian Pensioner Mortality Combined Table with projection scale CPM-B
Disability rates:	None	None

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	January 1, 2020	July 1, 2018
Retirement age:	Age corresponding to highest present value of vested pensions, taking account of early retirement rights under the Plan and the Pension Benefits Act (Ontario)	Age corresponding to highest present value of vested pensions, taking account of early retirement rights under the Plan and the Pension Benefits Act (Ontario)
Termination rates:	None	None
Form of Benefit Settlement elected by member:	• **Annuity purchase** 100% of retirees 75% of active and deferred vested members eligible to retire 25% of all other members • **Transfer Value** 25% of active and deferred vested members eligible to retire 75% of all other members	• **Annuity purchase** 100% of retirees • **Transfer Value** 100% of active and deferred vested members
OTHER		
Allowance for Wind-up Expenses:	$200 per member per period of service. Excludes costs related to surplus and deficit distribution issues on plan wind-up. Assumes all expenses will be paid from Plan in the event of a wind-up.	$200 per member per period of service. Excludes costs related to surplus and deficit distribution issues on plan wind-up. Assumes all expenses will be paid from Plan in the event of a wind-up.

ACTUARIAL COST METHOD

As with the prior valuation, we valued the termination benefit payable under the Plan or the Pension Benefits Act, if different. Under this valuation, the actuarial liabilities consist of the present value of pensions in payment and vested deferred benefits for terminated members, plus the portion of the future benefits expected to be paid to present members which are related to their credited service up to the valuation date. Amounts of pension for active members are determined based on each member's estimated final average earnings at the valuation date.

ASSET VALUATION METHOD

As with the previous valuation, we used the market value of assets for the hypothetical wind-up and solvency valuations, adjusting for amounts in transit and amounts payable.

INCREMENTAL COST

In our report we have determined the incremental cost under the hypothetical wind-up basis. The incremental cost was determined as the sum of (a) and (b) minus (c)

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a) the projected hypothetical wind-up liability at the next valuation date for those members at the current valuation date, allowing for expected decrements and change in membership status, service accrual and increase in earnings between the current valuation date and the next valuation date. No adjustment was made for new entrants between the two valuation dates. The resulting projected hypothetical wind-up liability was then discounted to the current valuation date;
b) the present value of the benefit payments expected to be paid between current valuation date and the next valuation date, discounted to the current valuation date;
c) the hypothetical wind-up liability as at the current valuation date.

For purposes of calculating the hypothetical wind-up incremental cost, the expected decrements, as well as the expected benefit payments between the current valuation date and the next valuation date, were determined using the going concern demographic assumptions. The projected hypothetical wind-up liability at the next valuation date was determined using the same method and assumptions as disclosed in Appendix C of this report. In particular, we have assumed that the discount rates will remain the same throughout the projection period and the Standards of Practice for determining commuted value rates in effect at the valuation date will remain unchanged, as will the current educational guidance on the estimation of annuity purchase costs.

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Appendix D. MEMBERSHIP DATA

The valuation was based on data as of the valuation date, January 1, 2020, supplied to us by the University. A summary of the data is shown in this Appendix.

We subjected this data to a number of tests of reasonableness and consistency, including the following:

- a member's (and partner's as applicable) age is within a reasonable range;
- all dates remained unchanged from the data used in the previous actuarial valuation of the Plan:
- salaries increased at a reasonable rate;
- credited service increased by a reasonable amount;
- accrued pensions changed by a reasonable amount (e.g. no change for retired members and vested pensioners, etc.);
- a member's gender did not change;
- the form of pension payment did not change (other than resulting from the death of a retired member);
- the pension amounts on the pensioner file was compared with the payments reported in the financial statements for the Plan; and
- we examined the additions to and deletions from each of the data files (i.e., the files for active employees, pensioners and terminated members entitled to a deferred vested pension) since the previous valuation to determine whether all Plan members were accounted for in this valuation, to check for duplicate records and to confirm pension amounts.

All of our tests had satisfactory results or the data was corrected. However, the tests may not have captured all deficiencies in the data. We have also relied on the Plan administrator's certification on the quality of the data.

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MEMBERSHIP DATA SUMMARY

	January 1, 2020	July 1, 2018
Active Defined Benefit Members (including LTD members)		
Number	1,003	1,012
Average pensionable earnings	$102,600	$101,100
Average years of credited service	11.9 years	11.4 years
Average age	48.1	47.8
Deferred Vested Members[1]		
Number	492	444
Average annual pension	$3,900	$3,600
Average DC accounts	$44,000	$47,700
Average age	48.0	47.9
Pensioners and Survivors		
Number	383	366
Average annual lifetime pension	$35,900	$35,500
Average age	74.7	74.2

[1]Excludes data for active members with a deferred benefit for an earlier period of service;
Includes employees of the Northern Ontario School of Medicine who have frozen benefit entitlements in the Plan.

RECONCILIATION OF MEMBERSHIP DATA

	Active and LTD Members[1]	Deferred Vested Members	Retired Members	Total
Number on July 1, 2018	1,012	444	366	1,822
New hires	115	-	-	115
Return to active	5	(5)	-	-
Terminated				
– Deferred vested	(82)	82	-	-
– Paid out	(15)	(10)	-	(26)
Retirements				
– lump sum transfer	(11)	(4)	-	(13)
– monthly pension	(16)	(11)	27	-
Death				
– No further benefits	(4)	(1)	(10)	(19)
– With survivor	(1)		(6)	(7)
New survivor/spouse			7	7
New beneficiaries	-	-	-	-
End of guarantee	-	-	(1)	(1)
Data correction	-	(3)	-	-
Number on January 1, 2020	**1,003**	**492**	**383**	**1,878**

[1] Includes 27 LTD members at January 1, 2020

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DISTRIBUTION OF ACTIVE MEMBERS AS AT JANUARY 1, 2020

	Males			Females		
Age	Number of Members	Years of Credited Service	Pensionable Earnings	Number of Members	Years of Credited Service	Pensionable Earnings
			$			$
<25	3	*	*	7	1.0	54,062
25-30	25	2.3	61,590	35	2.2	62,125
30-35	37	5.1	75,108	57	4.2	70,302
35-40	47	5.4	84,395	56	5.3	75,654
40-45	54	8.3	104,875	73	8.8	97,603
45-50	63	10.5	106,319	72	9.7	102,893
50-55	72	14.6	128,382	74	13.6	99,515
55-60	67	16.7	140,233	90	19.2	91,981
60-65	62	20.0	153,510	56	19.9	104,430
65-70	30	23.0	144,594	22	19.3	120,276
>70	1	*	*	-	-	-
Total	461	12.5	116,009	542	11.5	91,267

*Suppressed for confidentiality

Average age: 48.1

Average service: 11.9

DISTRIBUTION OF DEFERRED VESTED MEMBERS AS AT JANUARY 1, 2020

	Males		Females	
Age	Number	Average Lifetime Annual Pension	Number	Average Lifetime Annual Pension
		$		$
<25	2	$578	-	-
25-30	10	$1,062	16	$952
30-35	20	$1,406	34	$1,116
35-40	23	$2,502	41	$1,859
40-45	32	$4,163	32	$1,809
45-50	26	$3,659	33	$3,472
50-55	24	$5,005	31	$4,321
55-60	39	$7,978	34	$6,067
60-65	37	$7,227	24	$7,070
65-70	15	$2,928	14	$2,062
>70	3	$1,048	2	$980
Total	231	$4,639	261	$3,228

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Average age: 48.0

DISTRIBUTION OF PENSIONERS AND SURVIVORS AS AT JANUARY 1, 2020

	Males		Females	
Age	Number	Average Lifetime Annual Pension	Number	Average Lifetime Annual Pension
		$		$
<60	1	*	4	14,627
60-65	10	*	16	22,694
65-70	28	44,975	48	22,119
70-75	54	47,445	44	32,153
75-80	55	44,428	35	45,058
80-85	32	38,606	16	27,192
>85	22	33,557	18	21,136
Total	202	41,833	181	29,240

*Suppressed for confidentiality

Average age: 74.7

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Appendix E. PLAN ASSETS

RECONCILIATION OF ASSETS

The asset data used in the valuation were compiled as at January 1, 2020. We relied on the asset data that were obtained from the financial statements prepared by RBC Investor & Treasury Services for the January 1, 2020 year end.

The following is a reconciliation of the assets from July 1, 2018 to January 1, 2020.

	July 1, 2018 to January 1, 2019	January 1, 2019 to January 1, 2020
Market value as at beginning of year	$414,447,290	$405,326,694
Employee contributions	$3,887,130	$7,458,132
Employer contributions	$5,565,725	$7,915,299
Investment income	($8,188,501)	$58,517,963
Benefit payments	($9,699,575)	($20,601,446)
Fees and expenses	($685,375)	($2,517,275)
Total Market value as at end of year	$405,326,694	$456,099,367
Contributions in transit	$0	$1,362,083
Net payables	$0	($841,555)
Total Actuarial value as at end of year	$405,326,694	$456,619,895
Net rate of return for each period	(2.1%)	13.9%

Annualized net investment return after investment fees and expenses (over the total period): 7.6% per year

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SUMMARY OF ASSET ALLOCATION AT JANUARY 1, 2020

Classification	Assets at Market Value	% of Total Invested assets	Target % asset allocation
Fixed Income	$158,576,000	34.8%	35.0%
Equities	$206,314,000	45.2%	45.0%
Real Assets	$91,209,000	20.0%	20.0%
Total Invested Assets	$456,099,000	100%	100%
Asset Adjustments (in transits)	$521,000		
Total Actuarial Value of Assets	$456,620,000		

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Appendix F. PROVISION FOR ADVERSE DEVIATIONS (PfAD)

In accordance with Section 11.2 of the Regulations, the Plan's Provision for Adverse Deviations ("PfAD") to be applied to the going concern liabilities and current service cost, has been determined as outlined in this Appendix. For the purpose of determining the PfAD, this Plan is classified as a closed plan as defined in the Regulations

The PfAD is equal to the sum of "A" plus "B" plus "C", where:

"A" = Fixed Component = 4% (for open plan) and 5% for (closed plan)

"B" = First Variable Component = Asset Mix Component

Asset Category	Actual/Target Asset Allocation (%)
Cash	0.0%
Bonds	35.0%
Real Estate, Infrastructure, Mortgages	20.0%
Return seeking assets (e.g. equities, other alternative assets listed in subsection 76 (12) items 1. Through 16 of the Regs)	45.0%
J = Combined Actual (or Target) Asset Allocation for Fixed Income Assets	45.0%
= Fixed income + 0.50 x alternative assets	
K = Combined Actual (or Target) Asset Allocation for Non-Fixed Income Assets	55.0%
= 100% - J	
B = (see Table on next page)	3.50%

Benchmark Discount Rate (BDR)	Actual/Target Asset Allocation (%)
Plan Duration = (F-G)/ (G x 0.01)	10.49
F = Value of Plan's going concern liabilities as of the valuation date, using a discount rate 1% less than discount rate used in this report	$482,004,000
G = Value of Plan's going concern liabilities as of the valuation date	$436,232,000
H = Benchmark yield on long-term bonds from CANSIM Series V39056	1.76%
E = Benchmark Discount Rate (BDR) = 0.50% + H + (1.5% x J) + (5% x K)	5.69%
D = Best estimate discount rate	5.95%

Provision for Adverse Deviation (PfAD)	Actual/Target Asset Allocation (%)
A = Fixed Component	4.00%
B = Asset Mix Component	3.50%
C = Duration x Max (0, D - E) = 10.49 X (5.95% - 5.69%)	2.78%
Total	**10.28%**

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Actual (Target) allocation for Non-Fixed Income Assets	PfAD for Closed Plans	PfAD for Open Plans
0%	0%	0%
20%	2%	1%
40%	4%	2%
50%	5%	3%
60%	7%	4%
70%	11%	6%
80%	15%	8%
100%	23%	12%

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Appendix G. PLAUSIBLE ADVERSE SCENARIOS

A plausible adverse scenario is considered to be one that will occur in the short term (immediately to one year) with a likelihood of occurring between 1 in 10 and 1 in 20 based on the opinion of the actuary. The purpose of the following scenarios is to illustrate the impact on the Plan's financial position of the following adverse but plausible assumptions relative to the best estimate assumptions selected for the Plan's going concern valuation. The purpose of disclosing these results is to demonstrate the sensitivity of the funded status and annual current service cost between the January 1, 2020 and the next valuation date to certain key risk factors affecting the Plan. The results of the scenarios selected are shown in the table below, with a description of each scenario following.

	Going Concern Results at January 1, 2020	Plausible Adverse Scenario Results at January 1, 2020		
		Interest Rate Risk	Deterioration of Asset Values	Longevity Risk
Total Actuarial value of assets	$457,513,000	$461,504,000	$403,961,000	$457,513,000
Total actuarial liabilities excluding future indexation	375,384,000	378,796,000	375,384,000	381,768,000
Actuarial liabilities associated with future indexation	60,848,000	62,427,000	60,848,000	64,404,000
PfAD on actuarial liabilities	24,921,000	22,164,000	24,921,000	25,578,000
Total actuarial liabilities plus PfAD	$461,153,000	$463,387,000	$461,53,000	$471,750,000
Total going concern excess (unfunded liability)	($3,640,000)	($1,883,000)	($57,192,000)	($14,237,000)
Current service cost (incl. PfAD)	$15,229,000	$15,250,000	$15,229,000	$15,518,000
Change in going concern liabilities plus PfAD	-	$2,234,000	-	10,597,000
Change in current service cost including PfAD	-	$21,000	-	289,000
% Change in going concern liabilities plus PfAD	-	0.48%	-	2.30%
% Change in current service cost including PfAD	-	0.14%	-	1.90%
Discount rate	5.85%	5.73%	5.85%	5.85%
PfAD	10.28%	9.02%	10.28%	10.28%

INTEREST RATE RISK

This scenario illustrates the sensitivity of the funded status of the Plan and current service cost to an immediate change in the market interest rates underlying fixed income investments.

In order to assess the impact of a decrease in interest rates of a magnitude consistent with a 1 in 10 likelihood of occurring, we have used the same stochastic model that is used to determine the going

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concern discount rate (see Appendix B). The stochastic model is based on 5,000 simulations of projected financial variables, including long term yields on fixed income investments and asset class returns. Our long-term best estimates for these variables, and the going concern discount rate are based on the median values over these 5,000 simulations.

To determine the sensitivity to interest rate risk, and the resulting impact on Plan assets and liabilities, we have:

- considered the hypothetical going concern discount rate over the 500 trials where fixed income yields are lowest at the one-year horizon,
- determined the decrease in median long-term fixed income yields over the 500 trials where fixed income yields are the lowest at the one-year horizon.

As such, under the interest rate risk scenario, the going concern discount rate is decreased by 12 basis points as of January 1, 2020.

With respect to the impact on fixed income assets, the scenario results in a decrease in long term yields on fixed income investments of 36 basis points.

Based on the estimated duration of the Plan assets, liabilities and the current service cost, we have then determined the estimated change to the Plan's funded status under the interest rate risk scenario.

DETERIORATION OF ASSET VALUES

This scenario illustrates the sensitivity of the funded status of the Plan to short-term shock which causes a reduction in the market value of assets, with no change to the liabilities of the Plan. This scenario is assumed not to impact the current expectation of the long-term rate of return, and consequently, the going concern discount rate.

In order to assess the impact of a decrease in asset values of a magnitude consistent with a 1 in 10 likelihood of occurring, we have used the same stochastic model that is used to determine the going concern discount rate (see Appendix B). The stochastic model is based on 5,000 simulations of projected financial variables, including long term yields on fixed income investments and asset class returns.

To determine the sensitivity to a deterioration in asset values, based on the Plan's target asset mix, we have:

- determined the decrease in median investment returns over the 500 trials where investment returns are the lowest at the one-year horizon.

As such, under the deterioration of asset values scenario, the market value of assets is decreased by 11.7% as of January 1, 2020.

LONGEVITY RISK

This scenario illustrates the sensitivity of the funded status of the Plan to pension plan members living longer than expected. The impact of this scenario was determined using a one-year age setback to the mortality table used for the going concern valuation as of January 1, 2020, that is, a more conservative mortality assumption than currently employed.

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Appendix A. CERTIFICATE OF EMPLOYER

With regards to the January 1, 2020 actuarial report for the Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Colleges, I hereby certify, in my capacity as an officer of Laurentian University and not in my personal capacity that, to the best of my knowledge and belief:

- The Summary of the Plan Provisions contained in Appendix A of this actuarial report is a complete and accurate summary of the terms of the Plan which affect the funding requirements;
- The membership data provided to the actuary includes a complete and accurate description of every person who is entitled to benefits under the terms of the Plan for service up to January 1, 2020;
- The asset data provided or made available to the actuary is a complete and accurate;
- All events subsequent to January 1, 2020 that may have an impact on the valuation have been communicated to the actuary.

December 16, 2020

Date

Signature

AVP, Financial Services

Title

Appendix “B”

Laurentian University / Université Laurentienne

Laurentian University Retirement Plan

Application for Termination Benefits

Instructions

This is a two-page form. Please complete both pages, sign and date this form, and return it with proof of age (**original or certified copies** of your birth certificate, citizenship certificate, or valid passport). After you return this application – if you chose Option 2 (see section 3 on next page) – you will receive additional forms to complete the termination process.

Return the original to:

Eckler Ltd. – Laurentian University
Pension Administration
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7
Fax: 416-429-3794

1. Member Details

Employer: ______________________ Date of Plan Membership: ______________________ Month / Day / Year

Last Name: ______________________ First and Middle Names: ______________________

Email Address (personal/home): ______________________ Social Insurance Number: ______________________

Date of Birth: ______________________ Month / Day / Year Termination Date: ______________________ Month / Day / Year

Complete Mailing Address – Street: ______________________

City/Town: ______________________ Province: ______________________ Postal Code: ______________________

Country: ______________________ Phone #: ______________________

2. Spouse Details

Your spouse is the person who is living with you and is either (a) legally married to you, or (b) not married to you but has lived with you in a conjugal relationship continuously for at least three years, or in a relationship of some permanence if you are the parents of a child, as set out in section 4 of the Children's Law Reform Act.

☐ I have a spouse as defined above ☐ I do not have a spouse as defined above

Spouse's Social Insurance Number: ______________________

Last Name: ______________________ First Name: ______________________

Middle Name: ______________________ Date of Birth: ______________________ Month / Day / Year

For Office Use Only

Approved On: ______________________ Month / Day / Year By: ______________________

Employer: ______________________

3. Payment Options

REGISTERED PENSION PLAN (RPP)
You have two payment options for the benefits you have earned under the RPP. Please check and initial your choice.

☐ **Option 1: Keep your benefits in the plan**

Initial ________ Leave your benefits in the plan until you choose to transfer them to another locked-in plan or start your pension. **Any voluntary account balance, supplemental retirement plan (SuRP) benefits and transferred in funds (TIF) to which you may be entitled, will be paid at the same time as your RPP.**

☐ **Option 2: Take a one-time payment**
You may transfer the lump-sum value of your RPP benefits to one of the options listed below. If the lump-sum value exceeds the maximum transfer amount permitted under current tax law, any excess will be paid to you as taxable cash.

Initial ________ **A.** A locked-in retirement account (LIRA).

Initial ________ **B.** A life income fund (LIF). You must be at least age 54 and if you have a spouse, he or she must complete a spouse's consent to transfer locked-in pension benefits to a LIF.

Initial ________ **C.** An insurance company to buy an annuity.

Initial ________ **D.** Another employer's registered pension plan.

VOLUNTARY ACCOUNT *(voluntary contributions not permitted after June 30, 1991)* ☐ **N/A**
Funds in your voluntary account are not locked in. If you choose Option 2 above, please check and initial your choice below for your voluntary account.

Initial

☐ ________ Lump-sum taxable cash payment

☐ ________ Tax-free transfer to a registered retirement savings plan (RRSP).

SUPPLEMENTAL RETIREMENT PLAN (SURP) ☐ **N/A**
Funds in your SuRP are not locked in. If you choose Option 2 above, please check and initial your choice below for your SURP benefits.

Initial

☐ ________ Taxable annual instalments over ______ years (maximum 15).

☐ ________ Lump-sum taxable cash payment of $ __________. If not 100%, remaining SuRP funds will be paid in taxable annual instalments. Please indicate number of years ______ (maximum 15).

TRANSFERRED IN FUNDS (TIF) *(transfers from other pension plans not permitted after December 31, 1990)* ☐ **N/A**
You can combine your TIF with your RPP benefit and apply the same option to both, or you may apply different payment options to each. Please check and initial your choice.

Initial

☐ ________ Keep your TIF benefits in the plan (Option 1).

☐ ________ Take a one-time payment. Enter the letter here (A–D) _______ from the list under Option 2 above.

4. Signatures

I hereby apply for my termination benefits from the Laurentian University Retirement Plan and certify that all the information provided on this form is accurate and true. I understand that the option(s) I have chosen above represent(s) full settlement of my right to termination benefits under the Laurentian University Retirement Plan.

Signature of Member: ______________________________ Date: ____________________
Month / Day / Year

Signature of Witness: ______________________________ Date: ____________________
(anyone 21 or over) Month / Day / Year

Witness Name: ______________________ Address of Witness: ______________________
(please print)

____

Authorization *(Must be completed)*

I authorize the use of my social insurance number by the pension plan and its appointed outside agents for identification, administration and tax reporting purposes. I also agree to the collection, holding, sharing and use of my personal data for the following purposes:

- to determine eligibility for benefits;
- for ongoing plan management and cost analysis.

I certify that all information provided on this form is accurate and true.

Member Signature: ______________________________ Date: ____________________
Month / Day / Year

Your personal information is held in strict confidence in accordance with Laurentian University's privacy standards.

Laurentian University Retirement Plan

Application for Pension Benefits

Instructions

This is a two-page form. Please complete both pages, sign and date this form, and return it with the items on the application checklist.

Application checklist

- ☐ Proof of age for you (**certified copy** of your birth certificate, citizenship certificate, or valid passport)
- ☐ Spouse's waiver of lifetime pension (if applicable)

If you choose a pension

- ☐ Proof of age for your spouse (if you choose a spouse's pension)
- ☐ Appointment of beneficiary form
- ☐ Direct deposit form
- ☐ Canada Revenue Agency TD1 form
- ☐ Ontario TD1 form

If you choose a one-time payment

- ☐ RBC Investor Services locked-in funds (transfers out) – compliance information and acknowledgment
- ☐ Spouse's consent to transfer locked-in pension benefits to a LIF (if applicable)

Return the original to:

Eckler Ltd. – Laurentian University Pension Administration
5140 Yonge Street. Suite 1700
Toronto, ON M2N 6L7

1. Member Details

Employer: ______________________ Date of Plan Membership: ______________________ Month / Day / Year

Last Name: ______________________ First Name: ______________________

Middle Name: ______________________ Social Insurance Number: ______________________

Date of Birth: ______________________ Month / Day / Year Pension Start Date: ______________________ Month / Day / Year Gender: ☐ M ☐ F

Complete Mailing Address – Street: ______________________

City/Town: ______________________ Province: ______________ Postal Code: ______________

Country: ______________________ Phone #: ______________________

2. Spouse Details

Your spouse is the person who is living with you and is either (a) legally married to you, or (b) not married to you but has lived with you in a conjugal relationship continuously for at least three years, or in a relationship of some permanence if you are the parents of a child, as set out in section 4 of the Children's Law Reform Act.

☐ I have a spouse as defined above ☐ I do not have a spouse as defined above

Spouse's Social Insurance Number: ______________________

Last Name: ______________________ First Name: ______________________

Middle Name: ______________________ Date of Birth: ______________________ Month / Day / Year Gender: ☐ M ☐ F

For Office Use Only

Effective Date of First Payment: ______________________ Month / Day / Year Cause: ______________________

Monthly Pension: ______________________ Form: ______________________

Approved On: ______________________ Month / Day / Year By: ______________________

Comments: ______________________

3. Payment Options

REGISTERED PENSION PLAN (RPP)

You have two payment options for your pension from the RPP. Please check and initial your choice.

☐ **Option 1: Lifetime pension**

Please choose one of the following pension payment options. If you have a spouse, you are required by law to provide a surviving spouse's pension equal to at least 60% of your pension, unless your spouse signs a waiver. Once you start receiving your pension, the option you have chosen **cannot** be changed. Your pension will be indexed annually based on increases in the Consumer Price Index up to 3%.

Initial

_______ **A. Five-year guarantee:** Pension paid for your life with payments continuing to your beneficiary for the remaining guarantee period if you die within the first five years of retirement.

_______ **B. 10-year guarantee:** Pension paid for your life with payments continuing to your beneficiary for the remaining guarantee period if you die within the first 10 years of retirement.

_______ **C. 15-year guarantee:** Pension paid for your life with payments continuing to your beneficiary for the remaining guarantee period if you die within the first 15 years of retirement.

_______ **D. 60% spouse's pension:** Pension paid for your life with 60% continuing to your spouse for life after your death.

_______ **E. 100% spouse's pension:** Pension paid for your life with 100% continuing to your spouse for life after your death.

_______ **F. Customized:** _______ % spouse's pension with _______ -year guarantee.

☐ **Option 2: One-time payment**

_______ You may transfer the lump-sum value of your pension to another locked-in plan of your choice. If the total value exceeds the maximum transfer amount permitted under current tax law, any excess will be paid to you as taxable cash.

TRANSFERRED-IN FUNDS (TIF) *(transfers from other pension plans not permitted after December 31, 1990)* ☐ N/A

Please check and initial your choice.

Initial

☐ _______ Apply the same lifetime pension option as your RPP benefits.

☐ _______ Receive your TIF as a one-time payment.

VOLUNTARY ACCOUNT *(voluntary contributions not permitted after June 30, 1991)* ☐ N/A

Funds in your voluntary account are not locked in. Please check and initial your choice.

Initial

☐ _______ Lump-sum taxable cash payment of $ _________ . (If not 100%, the balance will be transferred tax free to an RRSP.)

☐ _______ Tax-free transfer to a registered retirement savings plan (RRSP)

SUPPLEMENTAL RETIREMENT PLAN (SuRP) ☐ N/A

Funds in your SuRP are not locked in and will be paid as taxable cash. Please check and initial your choice.

Initial

☐ _______ One-time payment of $ _______________ (If not 100%, remaining SuRP funds will be paid in annual instalments. Please check below and indicate number of years.)

☐ _______ Annual instalments over _________ years (maximum 15)

4. Signatures

I hereby apply for my pension benefit from the Laurentian University Retirement Plan and certify that all the information provided on this form is accurate and true.

Signature of Member: ______________________________ Date: ______________________
Month / Day / Year

Signature of Witness: ______________________________ Date: ______________________
(anyone 21 or over) Month / Day / Year

Witness Name: ______________________ Address of Witness: ______________________________
(please print)

Authorization *(Must be completed)*

I authorize the use of my social insurance number by the pension plan and its appointed outside agents for identification, administration and tax reporting purposes. I also agree to the collection, holding, sharing and use of my personal data for the following purposes:

- to determine eligibility for benefits;
- for ongoing plan management and cost analysis.

I certify that all information provided on this form is accurate and true.

Member Signature: ______________________________ Date: ______________________
Month / Day / Year

Your personal information is held in strict confidence in accordance with Laurentian University's privacy standards.

This is **Exhibit "B"**, referred to in the

Affidavit of BOBBIE-JO BRINKMAN,
sworn before me via videoconference
this 8th day of March, 2021.

A Commissioner for taking Affidavits, etc.

ECKLER

WINNIPEG
2475 – One Lombard Place
Winnipeg, Manitoba
Canada R3B 0X3
office +1 204.988.1586
fax +1 204.988.1589

Simon Deschênes, FSA, FCIA, CFA
Direct Line: 204-988-1576
Email Address: sdeschenes@eckler.ca

Bryan Merida, FSA, FCIA
Direct Line: 416-696-3008
Email Address: bmerida@eckler.ca

March 08, 2021

Mr. Normand Lavallée
Associate Vice-President | Vice-recteur associé
Financial Services | Services financiers
Laurentian University
935 Ramsey Lake Rd.
Sudbury, ON P3E 2C6

Dear Mr. Lavallée:

Re: Laurentian University at Sudbury (the "University") and the Pension Benefits Guarantee Fund ("PBGF") Assessment

We write to you in our capacity as actuary for the Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Universities (the "Plan") regarding the PBGF assessment payable in respect of the Plan due on March 30, 2021 which relates to the July 1, 2019 to June 30, 2020 Plan year.

Background

The PBGF is a fund established under the *Pension Benefits Act* (the "PBA") that protects the first $1,500 of monthly pension benefits earned by Ontario members of single employer defined benefit pension plans, like the Plan.

Pursuant to Regulation 909 under the PBA (the "Regulation"), the PBGF is funded by annual assessments payable by the employers whose employees, former employees, and retired employees participate in covered defined benefit pension plans. Assessments are payable within 9 months after a pension plan's year end, on the PBGF assessment date.

In the case of the Plan, which has a year end of June 30, the assessment date is March 30, 2021 for the assessment payable in respect of the year that ended June 30, 2020.

We have included a draft FSRA Form 2.2 - PBGF Assessment Certificate for the Plan showing that the total assessment due on March 30 is approximately $919,234 ($851,143 + $68,091 on account of retail sales tax of 8%).

Calculating the PBGF Assessment

The PBGF assessment is a function of two metrics: (1) a pension plan's PBGF assessment base; and (2) the number of the plan's Ontario-based plan beneficiaries as of the fiscal year end to which the PBGF assessment relates.

The PBGF assessment base is the difference between a plan's PBGF liabilities (i.e., the portion of its solvency liabilities for pensions accrued to the last valuation date (January 1, 2020) that relate to Ontario beneficiaries - for the Plan, 100%) and its solvency assets.

The PBGF assessment does not consider new benefit accruals, or service cost/incremental cost (incremental cost is a measure of how new pension accruals would impact solvency or wind-up).

If an employer has made special payments in excess of what is required by the PBA between the fiscal year end and the PBGF assessment date, this reduces the amount due but otherwise, the PBGF assessment does not reflect current state or relate to ongoing member accruals. The University did not make such additional special payments.

Apportioning the PBGF Assessment

The University's pro-rata share of the Plan's solvency liabilities, relative to the other employers under the Plan, is 91.6%. On this basis, the proportion of the PBGF Assessment attributable to the University is $842,018.34 ($779,646.99 + $62,371.36 on account of retail sales tax of 8%).

Simon Deschênes, FSA, FCIA, CFA Principal and Actuary Eckler Ltd.	Bryan Merida, FSA, FCIA Actuarial Consultant Eckler Ltd.

Appendix “A”

Financial Services
Commission
of Ontario

Ontario

Pension Benefits Guarantee Fund (PBGF) Assessment Certificate

Form 2.2. - Approved by the Superintendent of Financial Services pursuant to the Pension Benefits Act, R.S.O 1990 c.P.8, as amended (the "PBA")

SPECIMEN ONLY

Part 1 - Identification

Registration Number
0267013

Name of Pension Plan
Retirement Plan of Laurentian University of Sudbury and its Federated and Affiliated Universities

Name of Administrator
Laurentian University of Sudbury

Name of Employer
Laurentian University of Sudbury

Fiscal Year-End (yyyy-mm-dd)	Wind Up Date, if applicable (yyyy-mm-dd)	Assessment Date (yyyy-mm-dd)
2020-06-30		2021-03-30

If this is a refiling of a PBGF Assessment Certificate for the Assessment Date, please indicate the reason for the refiling:

- ◯ Correction to the Assessment Certificate
- ◯ Recalculation of Assessment Certificate required due to filing of new Valuation Report or new report filed under section 3 of Regulation 909, R.R.O. 1990, as amended (Regulation 909)

Part 2 - Information from the last filed Valuation Report and Reports filed under Section 3 of Regulation 909

Please complete the following based upon the last Valuation Report filed with the Financial Services Commission of Ontario (FSCO).

Valuation date of last Valuation Report filed with FSCO (yyyy-mm-dd) 2020-01-01

Period covered by the Valuation Report

From (yyyy-mm-dd) 2020-01-01 To (yyyy-mm-dd) 2022-12-31

SPECIMEN ONLY

Solvency assets	301	456,620,000.00
PBGF liabilities	302	534,753,000.00
Solvency liabilities	303	534,753,000.00
Ontario asset ratio (302 divided by 303)	304	1.00
Ontario portion of fund (301 multiplied by the ratio in 304)	305	456,620,000.00
PBGF assessment base (greater of 302 less 305, or "0")	306	78,133,000.00
Amount of additional liability for plant closure and/or permanent layoff benefits which is not funded (refer to item B in the formula under s.37(4) of Regulation 909)	307	0.00

Reports filed under Section 3 of Regulation 909

Amount of additional solvency liability related to Ontario Plan Beneficiaries created by a plan amendment that was not reflected in the last filed valuation report under s.13 or s.14 of Regulation 909 (enter zero “0” if there are no amendments)	307.1	0.00
Revised PBGF liabilities (302 + 307.1)	307.2	534,753,000.00
The Ontario portion of any lump sum payments in connection with the plan amendment	307.3	0.00
Revised Ontario portion of fund (305 + 307.3)	307.4	456,620,000.00
Revised PBGF assessment base (greater of 307.2 less 307.4, or zero “0”)	307.5	78,133,000.00

Part 3 - Adjustment to PBGF Assessment Base

Has the employer made special payments between the valuation date of the last Valuation Report filed and the Assessment Date, in excess of the minimum special payments required in accordance with that report?

◯ Yes (Complete Table 1) ✔ No (Amount from 307.5 will be entered into 309)

NOTE: In the Special Payments column, do not include

- a lump sum payment related to any of the following: a commuted value payment, an annuity purchase, or a plan amendment;
- the pre-payment of a required minimum special payment that would normally be paid after the Assessment Date.

Table 1

Periods between the Valuation Date of the Last Valuation Report and the Assessment Date	Minimum Special Payments required based on the Last Valuation Report		Special Payments made by the Employer ($)
	Going Concern Unfunded Liability ($)	Solvency Deficiency ($)	
First Year (or part thereof) in the period: From: ______ (yyyy-mm-dd) To: ______ (yyyy-mm-dd)			
Second Year (or part thereof) in the period: From: ______ (yyyy-mm-dd) To: ______ (yyyy-mm-dd)			
Third Year (or part thereof) in the period: From: ______ (yyyy-mm-dd) To: ______ (yyyy-mm-dd)			
Fourth Year (or part thereof) in the period: From: ______ (yyyy-mm-dd) To: ______ (yyyy-mm-dd)			
Total for all Periods	A $0.00	B $0.00	C $0.00

Amount in excess of the minimum special payments (C – (A + B))	308	0.00
Applicable PBGF assessment base (the greater of 307.5 less 308, or zero "0")	309	78,133,000.00

SPECIMEN ONLY

Part 4 - Calculation of PBGF Assessment

Field 316 is to be completed. All other fields are calculated automatically. If information is incorrect, contact FSCO.

Please note that this version of the Assessment Certificate does not use fields 314, 315, 317, and 318.

Part "A" Assessment

0.75% of any portion of the applicable PBGF assessment base (309) that is less than 10% of the PBGF liabilities (307.2)	310	401,065.00
1.5% of any portion of the applicable PBGF assessment base (309) that is 10% or more but less than 20% of the PBGF liabilities (307.2)	311	369,865.00
2.25% of any portion of the applicable PBGF assessment base (309) that is 20% or more of the PBGF liabilities (307.2)	312	0.00
0.015% of PBGF liabilities (field 307.2)	312.1	80,213.00
Sum of 310 + 311 + 312 + 312.1	313	851,143.00
Number of Ontario Plan Beneficiaries at fiscal year-end / wind up date	316	1,878.00
Maximum Part "A" assessment per Ontario Plan Beneficiary (316 x $600)	319	1,126,800.00
Total Part "A" assessment (Lesser of 313 or 319)	320	851,143.00

Part "B" Assessment

Plant Closure or Permanent Layoff Benefit Assessment pursuant to s.37(4) of Regulation 909, R.R.O. 1990, as amended (3.0% of 307)	321	0.00
Total PBGF Assessment before Retail Sales Tax (320 + 321)	322	851,143.00
Retail Sales Tax (8% of 322)	323	68,091.00
Total PBGF Assessment after Retail Sales Tax (322 + 323)	324	919,234.00
If a refiling, the amount of the previous assessment	325	
Recalculated Amount Owing/Refund, where applicable (324 – 325)	326	919,234.00

Part 5 - Certification of the Actuary

I certify that:

- I have knowledge of the pension plan named in Part 1,
- I am a Fellow of the Canadian Institute of Actuaries, and
- To the best of my knowledge and belief the information reported in Part 2 of this Assessment Certificate is true and correct.

Name of Actuary

Bryan Merida

Corporate Affiliation

Eckler Ltd.

Dated (yyyy-mm-dd)

2020-03-01

Part 6 - Certification of the Administrator

As an authorized representative of the Administrator of the pension plan named in Part 1, I certify that all the information reported on this form in Parts 1, 3 and 4 is true and correct to the best of my knowledge. I acknowledge that as an employee or agent of the Administrator, I am subject to the standards set by sections 22(1) and (2) of the PBA.

Name of authorized representative

Organization

Dated (yyyy-mm-dd)

The information in the PBGF Assessment Certificate is collected by the Financial Services Commission of Ontario (FSCO). FSCO's legal authority to collect this information, including any personal information, is found under section 20 of the PBA and section 18 of Regulation 909, R.R.O. 1990, as amended. The Assessment Certificate provides FSCO with information about the pension plan. The principal purposes for which the information is to be used is to confirm that all applicable legislation is being complied with and to determine the PBGF assessments payable. If you have any questions about the collection of this information, please contact FSCO at pensioninquiries@fsco.gov.on.ca or toll free at 1-800-668-0128.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Court File No.: CV-21-656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF BOBBIE-JO BRINKMAN

THORNTON GROUT FINNIGAN LLP
3200 – 100 Wellington Street West
TD West Tower, Toronto-Dominion Centre
Toronto, ON M5K 1K7

D.J. Miller (LSO# 344393P)
Email: djmiller@tgf.ca

Mitchell W. Grossell (LSO# 69993I)
Email: mgrossell@tgf.ca

Andrew Hanrahan (LSO# 78003K)
Email: ahanrahan@tgf.ca

Derek Harland (LSO# 79504N)
Email: dharland@tgf.ca
Tel: 416-304-1616
Fax: 416-304-1313

Lawyers for the Applicant

TAB 3

Court File No. CV-21-00656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE CHIEF	)	MONDAY, THE 15th
	)	
JUSTICE MORAWETZ	)	DAY OF MARCH, 2021

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Applicant

ORDER
(Re: Pension)

THIS MOTION, brought by Laurentian University of Sudbury ("**LU**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order: (a) applying the Transfer Ratio (as defined below) to commuted value transfer requests from all Interim CV Applicants (as defined below); and (b) confirming that the PBGF Assessment Payment (as defined below) is stayed pursuant to the terms of the Amended and Restated Initial Order, was heard this day by videoconference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Notice of Motion of LU dated March 8, 2021, the affidavit of Dr. Robert Haché sworn January 30, 2021 and the Exhibits thereto (the "**Initial Haché Affidavit**") that was previously filed in this proceeding, the Affidavit of Bobbie-Jo Brinkman sworn March 8, 2021 and the Exhibits thereto and the Second Report of the Monitor dated March [▶], 2021 and on hearing the submissions of counsel in attendance, no one appearing for any other person on the service list, although duly served as appears from the Affidavit of Service of [▶] sworn March [▶], 2021 and the Affidavit of Service of [▶] sworn March [▶] , 2021 in respect of service of the Motion Record upon the Interim CV Applicants (as defined below),

Service and Definitions

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Initial Haché Affidavit.

Application of the Transfer Ratio for Commuted Value Transfers

3. **THIS COURT ORDERS AND DECLARES** that LU, in its capacity as an Applicant herein and as sponsor and administrator of the Pension Plan (as such term is defined in the Initial Haché Affidavit), shall be permitted to transfer commuted values from the Pension Plan based on a transfer ratio equal to 65.8% (the "**Transfer Ratio**"), being the transfer ratio contained in the most recently filed actuarial valuation report for the Pension Plan (effective as of January 1, 2020 and filed with the Financial Services Regulatory Authority of Ontario in December 2020), in accordance with the Ontario *Pension Benefits Act* and the regulations thereto (the "**PBA**") for any individual who has received a retirement or termination statement and election form from LU indicating that he or she may elect to receive a 100% commuted value transfer from the Pension Plan and for whom such transfers have not yet been made (the "**Interim CV Applicants**").

4. **THIS COURT DECLARES AND ORDERS** that any Interim CV Applicant who has elected a commuted value transfer shall be given a re-election form, which form must be submitted in writing to LU within 30 days of notice of this Order, to elect to either receive an immediate or deferred pension, as applicable, or a commuted value transfer based on the Transfer Ratio. Each such Interim CV Applicant shall receive a copy of this Order from LU, and be advised of the 30-day period within which such election shall be made in writing to LU. Any such Interim CV Applicant who does not make an election in writing to LU within 30 days of the date upon which notice of this Order is provided to them, shall be deemed to have withdrawn their application for a transfer of their commuted value and shall retain their entitlement to a deferred pension from the Pension Plan.

5. **THIS COURT ORDERS AND DECLARES** that LU, whether acting in its capacity as a debtor company or as the sponsor and administrator of the Pension Plan or otherwise, including

its directors, officers and members of the LU Pension Committee, whether acting in any delegated or other capacity, Eckler Ltd., and RBC Investor Services Trust, shall have discharged their fiduciary or contractual duties to the Pension Plan and its active members, inactive members and all other beneficiaries and shall not incur any liability or obligation by transferring commuted values from the Pension Plan in accordance with the terms of this Order.

6. **THIS COURT ORDERS AND DECLARES** that, notwithstanding anything in this Order, any future adjustments to the applicable Transfer Ratio for the purpose of commuted value transfers shall be established in accordance with the PBA, or by further Order of this Court.

Stay of Pension Benefits Guarantee Fund Assessment Payment

7. **THIS COURT ORDERS AND CONFIRMS** that, for greater certainty, the payment due on March 30, 2021 in the amount of $842,018.34 in respect of LU's *pro rata* portion of assessment fees payable to the Pension Benefits Guarantee Fund relating to the Pension Plan for the pre-filing period of July 1, 2019 to June 30, 2020 (the "**PBGF Assessment Payment**"), is stayed and suspended in accordance with paragraph 12 of the Amended and Restated Initial Order of this Court dated February 11, 2021.

8. **THIS COURT ORDERS** that none of LU or any of its directors, officers, employees, agents, advisors or consultants shall incur any obligation or liability as a result of the stay and suspension of the PBGF Assessment Payment in accordance with the terms of this Order.

General

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Time on the date of this Order, and is enforceable without any need for entry and filing.

10. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

11. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, having jurisdiction in Canada or in the United States of America to give effect to this Order and to assist LU the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby

respectfully requested to make such orders and to provide such assistance to LU and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist LU and the Monitor and their respective agents in carrying out the terms of this Order.

CHIEF JUSTICE G.B. MORAWETZ

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Court File No. CV-21-00656040-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Pension Order)

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MOTION RECORD OF THE APPLICANT

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