



University
of Regina

50
YEARS



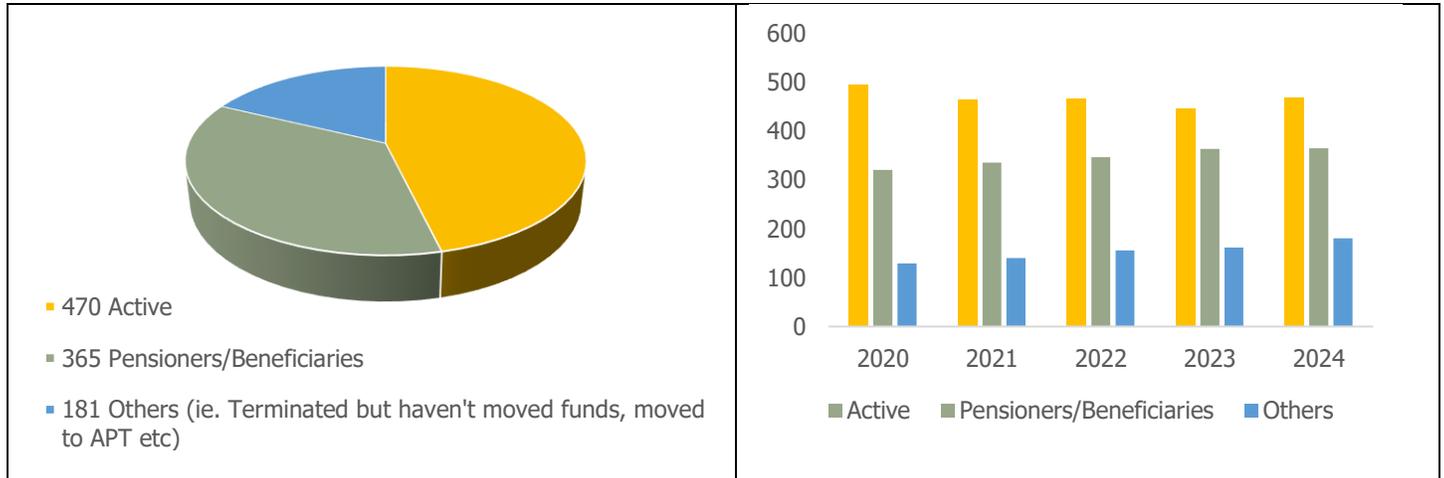
University of Regina Non-Academic Pension Plan
Defined Benefit (DB)
2024 Annual Report to Members

Plan Overview

The Non-Academic Pension Plan was established on July 1, 1952. The plan is a defined benefit (DB) plan. At retirement, your pension benefit is calculated using a formula based on your salary history and years of service at retirement. The Plan also allows the transfer of entitlements out of the Plan for members that are not eligible for retirement or upon death.

Plan Membership

The membership profile at December 31, 2024, along with the membership movement over the past five years, has been illustrated below.



Pension Contributions

2024	Pensionable Earnings
Employee	8.75%
Employer	8.75%*
Total combined fixed contribution rate	17.5%

**In addition to the fixed contribution rates above, the Employer is contributing an additional 0.85%. This additional payment will end on December 31, 2025.*

Pension Benefit

The Plan provides for early retirement once any of the following provisions have been attained:

- Age 55 (an early retirement reduction may apply) or
- Combined age and service equaling 80 or
- 30 years of service.

Pension benefits are paid to you monthly for the rest of your lifetime. You will have the option to add a longer guarantee period (i.e.15 years), spousal survivor options, as well as integration options with the Canada Pension Plan (if applicable) at retirement. Your annual pension benefit is based on:

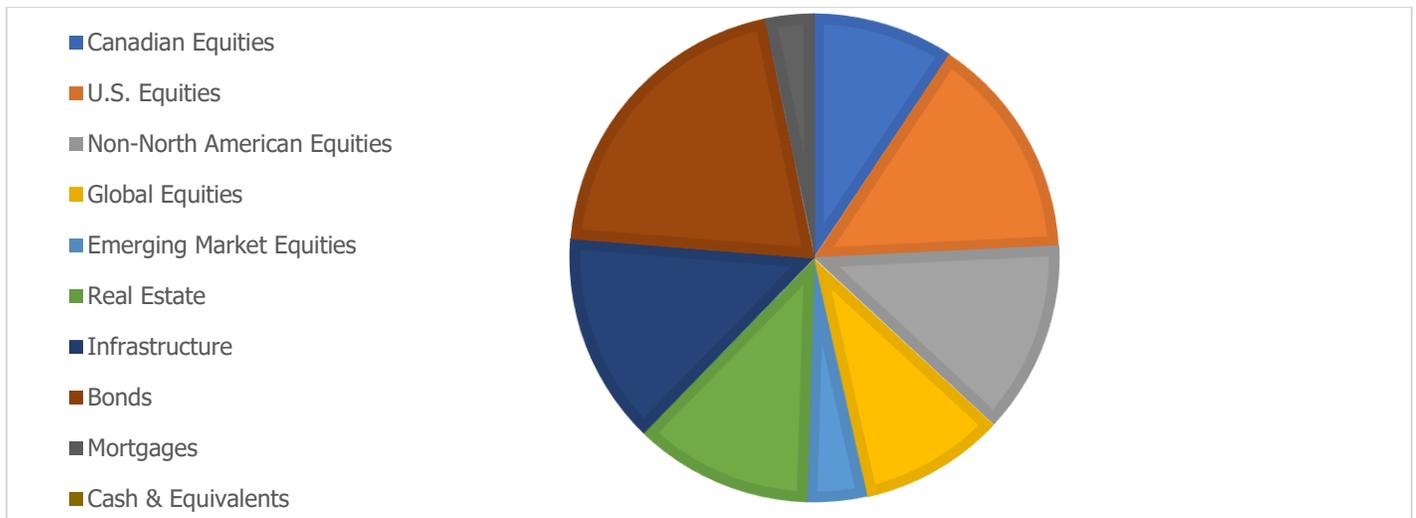
A = 2.00% of your best consecutive three year average earnings x your years of pensionable service prior to 2011;
+
B = 1.75% of your best consecutive three year average earnings x your years of pensionable service from 2011-2013;
+
C = 1.50% of your best consecutive five year average earnings x your years of pensionable service after 2013.

Pension Plan Assets at December 31, 2024

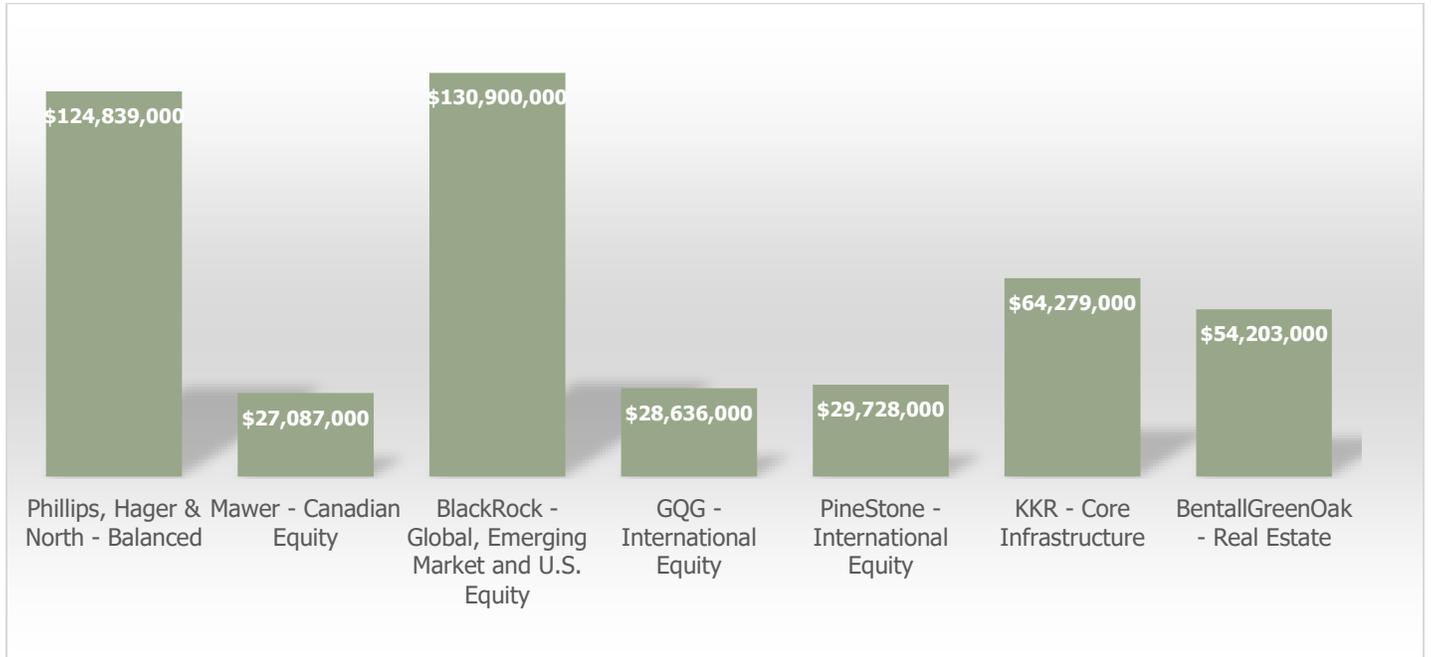
Market Value

The market value of the **Non-Academic Pension Plan** assets at the end of 2024 totalled approximately **\$140.6 million**. For investment purposes, the assets of the Non-Academic Pension Plan are combined with those of the Academic & Administrative Pension Plan (defined benefit component). The single fund is called the **Master Trust Fund**. The market value of the Master Trust was approximately **\$459.7 million** at December 31, 2024.

Asset Mix of the Master Trust at December 31, 2024



Distribution of Master Trust Assets by Investment Manager at December 31, 2024



The Markets

Public equity markets were strong in 2024, with the major global equity indexes returning strong double-digit returns: S&P/TSX Composite 21.6%, S&P 500 36.4%, MSCI World 29.4%, and MSCI EAFE 13.2%. Canadian markets were largely driven by the Information Technology and Financials sectors. The only sector with negative returns in the year was Communication Services. Major communication names like Bell, Rogers and Telus all had disappointing results. Global performance was driven by several American mega cap technology names that have been dominating the markets. The term “Magnificent 7” was coined for these seven stocks that have performed exceptionally well recently, driven by Artificial Intelligence themes (Apple, Amazon, Alphabet, Meta, Microsoft, NVIDIA, and Tesla). These 7 stocks made up 29% of the Index by market capitalization at the end of 2024 but contributed almost half of the annual return of the S&P 500 Index.

Inflation and resulting central bank policies continued to be a dominant theme in capital markets over 2024. Most central banks started to cut their overnight rate amidst the background of a slowing economy. The Bank of Canada cut its overnight rate by 1.75%, ending the year at 3.25%, with expectations of further cuts to come in 2025 as a result of declining inflation. Over the year the FTSE Canada Universe Bond Index returned 4.2%, while long bonds returned 1.3% as interest rates fell.

The U.S. had an election in the fall of 2024 and Republicans came back into power. President Trump plans on stimulating economic growth through tax cuts and deregulation. After the election, equity markets rallied with further optimism being priced into stocks. President Trump also indicated his desire to place tariffs on international goods, including Canada, China and Mexico. These tariffs were implemented in 2025, and it remains to be seen how they will play out.

Investment Performance

A number of performance objectives are set out for the pension plan. The primary objective for the Fund is to earn a rate of return that exceeds, net of fees, the rate of return earned on a benchmark portfolio.

The investment managers appointed by the Board are directed to achieve a satisfactory long-term real rate of return through a diversified portfolio within their mandate, consistent with acceptable risks and prudent management.

The minimum inflation adjusted annualized real rate of return required to meet pension objectives is 3.75% over longer time periods.

The Master Trust Fund achieved its long-term objectives:

- Achieved a satisfactory long-term real rate of return: Total fund real return of 4.6% exceeded the real return objective of 3.75% over ten years; and
- Exceeded the benchmark on a net of fees basis over four years.

The four-year and ten-year volatility for the Master Trust Fund continues to be materially lower than that of traditional balanced funds.

Investment Performance	2024	Last 4 Years	Last 10 Years
Master Trust Gross Return	14.7%	7.4%	7.2%
Benchmark Return	12.7%	6.5%	7.0%
Master Trust Value Added	2.0%	0.9%	0.2%
Inflation	1.8%	4.1%	2.6%
Real Return	12.9%	3.3%	4.6%

Gross Return: the total rate of return before the deduction of any fees, commissions, or expenses.

Benchmark Return: A standard against which the performance of an investment can be measured.

Real Return: the total rate of return after accounting for inflation.

Pension Plan Expenses

Plan expenses for 2024 were \$602,754 or 0.4534% of the average market value of the assets within the Master Trust attributed to the Non-Academic Pension Plan. The plan is charged for expenses related to actuarial and consulting services, administration, investment manager fees and asset servicing fees.

Actuarial Valuation

The plan last filed an actuarial valuation report with the regulators at **December 31, 2023**.

Going-Concern Position of the Plan

The going-concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise that the Plan will continue on into the future indefinitely.

	2023	2021
Actuarial Value of Assets	\$128,350,000	\$121,209,000
Actuarial Value of Liabilities	\$129,856,000	\$124,418,000
Surplus/(Deficit)	(\$1,506,000)	(\$3,209,000)
Funded Ratio	0.99	0.97

Solvency Position of the Plan

The solvency valuation examines whether the Plan would be in a deficit or surplus position if it were closed (hypothetical wind-up) as of the valuation date. The Plan has been classified as a “Specified Plan” and is not required to fund solvency deficiencies.

	2023	2021
Actuarial Value of Assets	\$126,324,000	\$132,679,000
Actuarial Value of Liabilities	\$145,274,000	\$174,060,000
Surplus/(Deficit)	(\$18,950,000)	(\$41,381,000)
Solvency Ratio	0.86	0.74

Transfer Deficiency Requirements

As the Plan has a solvency ratio of 86%, pension regulations require that 14% of the funds transferred out of the Plan be held back. The amount of the money being held back is known as the transfer deficiency. The transfer deficiency is required to be paid out at the end of 5 years following the initial date of payout, or sooner if a subsequent valuation reveals a solvency surplus.

Governance Structure

The Board of Governors is the Plan’s legal administrator and as such accepts the associated fiduciary responsibilities associated with the Plan.

The Board delegates the majority of the governance duties associated with the pension plan to University administration and the Non-Academic Benefits Committee (NABC), both of which report on a regular basis back to the Board through the Human Resources Committee.

Non-Academic Benefits Committee (NABC)

The NABC consists of three members recommended by CUPE 5791, one retired member and four University representatives. At **December 31, 2024**, the NABC consisted of the following members.

Current Committee Members	Faculty/Department	Meetings Held	Meetings Attended
Danette Andrews	Nursing	0	0
James Batalha	Facilities Management	7	5
Dean Biesenthal	Human Resources	9	9
Jim Carlson	Retiree	9	3
Dianne Ford	Executive Offices	9	8
Temple Maurer	Human Resources	9	8
Carmon Perrin	Information Services	9	9
Glen Raboud	Financial Services	4	3

Past Committee Members	Faculty/Department	Meetings Held	Meetings Attended
Shane Belter	Student Affairs	3	1
Lamont Stradeski	Financial Services	5	4

Meetings of the Committee

The Joint Pension Investment Committee (JPIC), which is made up of members of the NABC and the Academic and Administrative Benefits Committee (AABC), oversees all investment aspects related to the assets of the Master Trust Fund.

The Committees rely on the expertise of numerous consultants and investment managers in their oversight role. The key activities have been outlined in the following table.

➤ Reviewed the Quarterly Pension Investment Performance and Investment Manager Evaluation Reports for the Master Trust Fund	➤ Recommended the University of Regina file an actuarial funding valuation at December 31, 2023
➤ Approved the 2023 Pension Plan Expenses	➤ Approved the 2025 Budget and Work Plan
➤ Participated in Environmental, Social & Governance (ESG) Education	➤ Reviewed and Recommended the 2024 Statement of Investment Policies and Goals (SIP&G)
➤ Reviewed and Recommended NABC terms of reference	

Other Agents of the Plan

Actuaries and Pension Consultants	Jacob Schwartz & David Larsen, Aon
Performance Measurement Consultants	Erin Achtemichuk & Don Olsen, Aon
Asset Servicing Provider (Custodian)	The Northern Trust Company, Canada

The primary purpose of this report is to:

- Provide plan members an overview of the Plan at December 31, 2024
- Review Master Trust investments and investment performance in 2024
- Report on the 2024 activities of the Non-Academic Benefits Committee (NABC)

Please contact the Pension and Benefits unit in Human Resources or any member of the NABC if you have any questions about the items covered in this report.

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The information provided in this report is designed to give you an overview of the Non-Academic Pension Plan at December 31, 2024. Full details contained in the legal plan documents as well as applicable legislation will govern in all cases.