



University
of Regina

50
YEARS



Pension Plan for the Academic & Administrative
Employees of the University of Regina
Defined Benefit (DB) Component
2024 Annual Report to Members

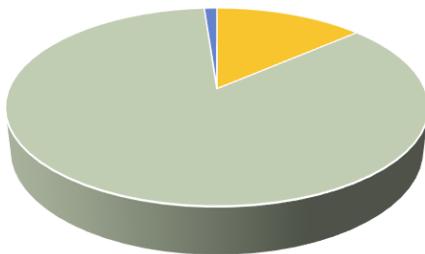
Plan Overview

The Academic and Administrative Pension Plan was established on July 1, 1965. The defined benefit (DB) component of the Plan has been closed to new members since 2000.

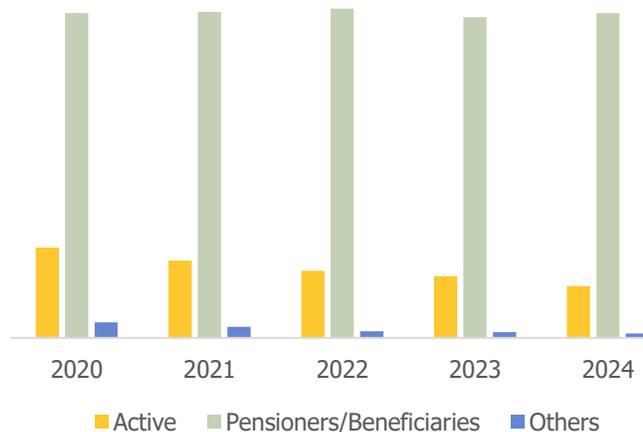
The DB component of the Plan provides you with a set monthly pension payment for the rest of your life. Your pension is calculated using a formula based on your years of credited service in the Plan and your best consecutive three year average salary at the time of your retirement. If you have a spouse at retirement, your pension will be adjusted to provide a lifetime pension to your spouse upon your passing.

Plan Membership

The membership profile at December 31, 2024, along with the membership movement over the past five years, has been illustrated below. Pensioners and beneficiaries make up 85% of the DB membership at December 31, 2024.



- 47 Active
- 295 Pensioners/Beneficiaries
- 4 Others (DB/DC, InActive Terminations, Suspended Membership)



Pension Contributions

2024	Pensionable Earnings
Employee Paid	7.5%
Employer Paid	7.5%
Total Combined	15.0%

The Income Tax Act (ITA) limits the annual benefit you can earn from a DB pension to \$3,610.00 in 2024. Therefore, pension contributions and earnings were limited to \$180,500.00 in 2024 for active members of the Plan.

Retirement

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

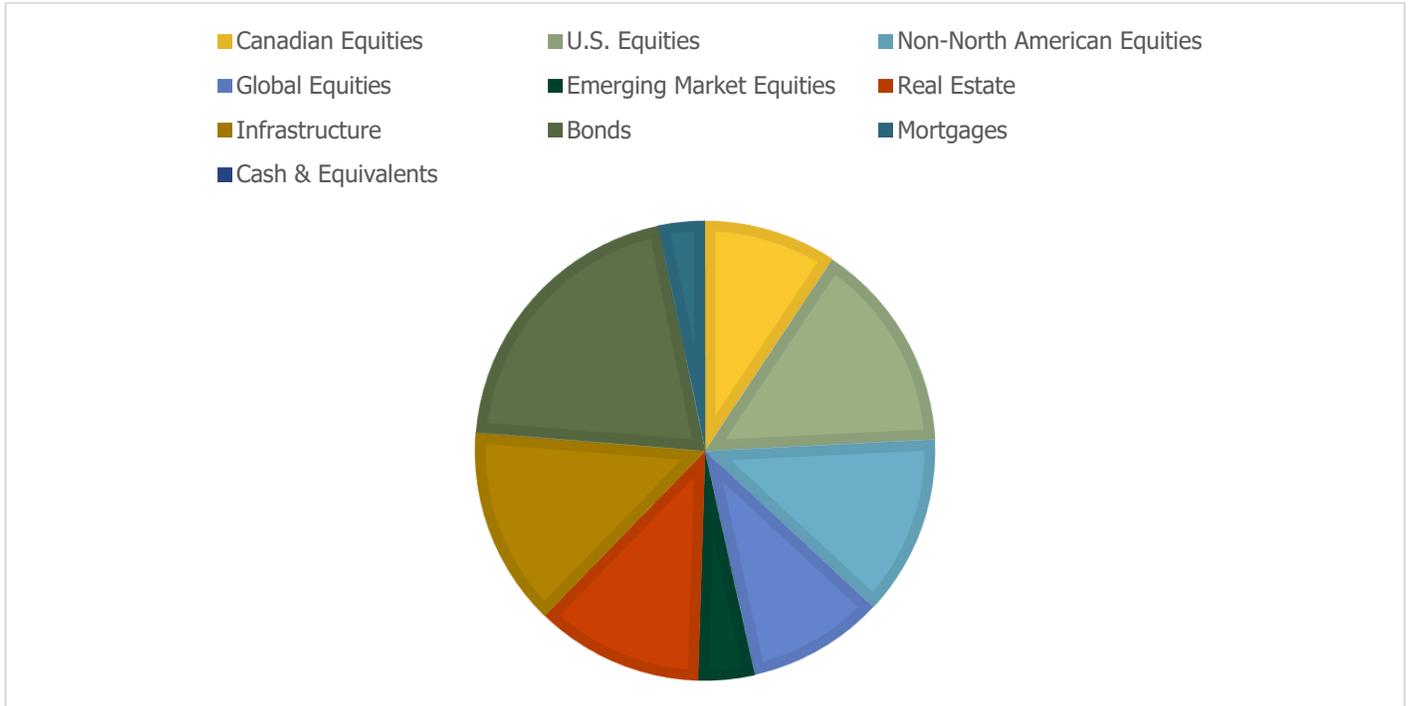
- Age 55, provided you have completed three years of service (an early retirement reduction may apply) or
- The sum of your age and years of service equal to at least 80.

Pension Plan Assets at December 31, 2024

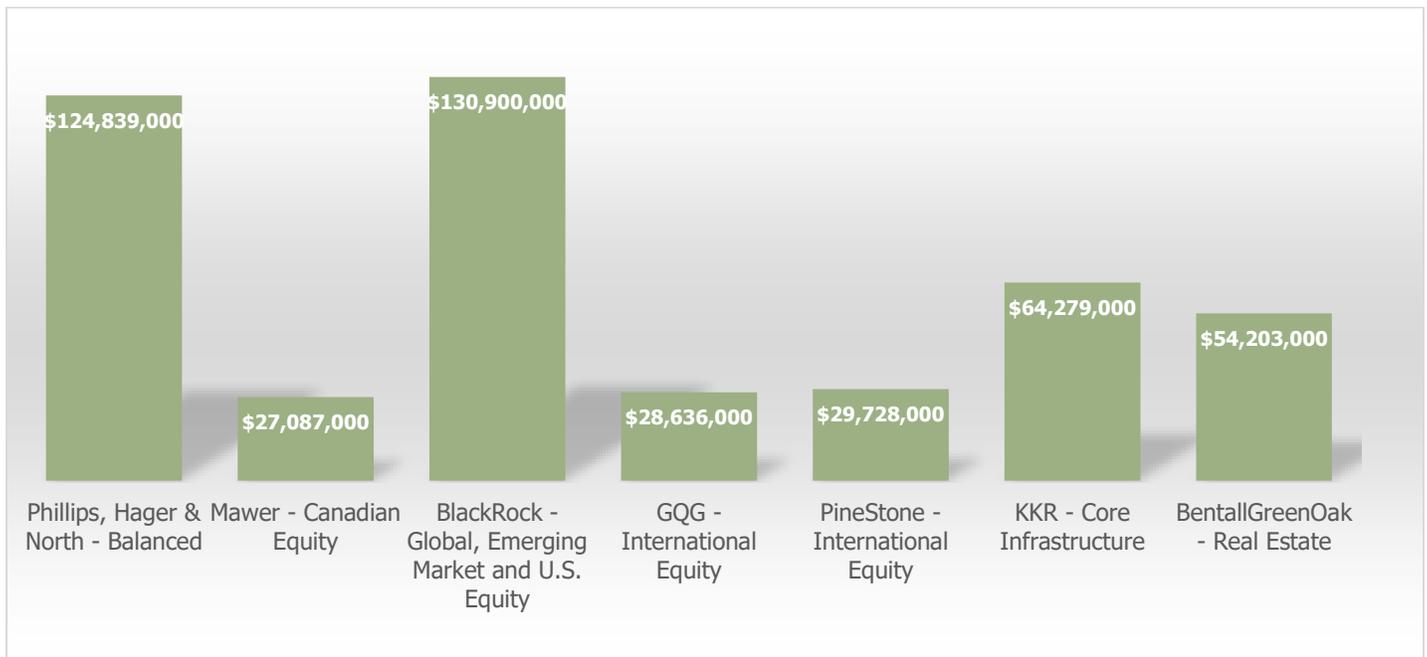
Market Value

The market value of the DB component of the **Academic and Administrative Pension Plan** assets at the end of 2024 totalled **\$319.0 million**. For investment purposes, the assets of the DB component of the Plan are combined with those of the Non-Academic Pension Plan into a single fund called the **Master Trust Fund**. The market value of the Master Trust totalled approximately **\$459.7 million** at December 31, 2024.

Asset Mix of the Master Trust at December 31, 2024



Distribution of the 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 Master Trust Fund achieved its long-term objectives:

- Total Fund exceeded the benchmark on a net of fees basis over four years; and
- Total Fund real return of 4.6% exceeded the real return objective of 4.05% (Academic) and 3.75% (Non-Academic).

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 0.3055% of the average market value of the assets within the Master Trust attributed to the DB component of the Academic & Administrative Pension Plan. The Plan is charged for expenses related to actuarial and consulting services, administration, investment manager fees and asset servicing fees.

Cost of Living Increases for Pensioners

The Plan provides for indexing of pensions to be granted each year on July 1st. The amount of the pension increase is conclusively determined by the Academic and Administrative Benefits Committee (AABC), in consultation with the Actuary, at a rate that is equal to the increase in the previous year's rate of inflation as measured by the Consumer Price Index (CPI).

The full CPI increase scheduled for July 1, 2023 was calculated to be 6.8%. The AABC declared a lesser increase of 4.0%. The AABC, on the recommendation of the Actuary, may provide a lesser increase if the Actuary is of the opinion that the full increase would impair the Plan's financial integrity. If indexing is restricted and in subsequent periods the Plan's experience permits adequate margins to provide additional indexing, the AABC will, on the advice of the Actuary, provide additional indexing up to the full amount applicable on a compound basis if such restrictions had not occurred.

The increase equal to the full annual increase in CPI for July 1, 2024 was calculated to be 3.88%. Eligible pensioners received an increase of 6.79% on July 1, 2024. The increase represented the balance of the July 1, 2023 cost of living adjustment of 2.8% plus the July 1, 2024 increase of 3.88% compounded.

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	\$293,472,000	\$316,676,000
Actuarial Value of Liabilities	\$263,923,000	\$283,143,000
Surplus/(Deficit)	\$29,549,000	\$33,533,000
Funded Ratio	1.11	1.12

The going-concern valuation included a liability to support future cost of living increases. The total reserve set aside for all members was estimated to be funded 100%.

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	\$289,631,000	\$311,137,000
Actuarial Value of Liabilities	\$256,444,000	\$310,910,000
Surplus/(Deficit)	\$33,187,000	\$227,000
Solvency Ratio	1.13	1.00

The solvency ratio is based on the premise that future cost of living increases would be scaled back to zero on plan windup to eliminate/reduce any deficit.

Transfer Deficiency Requirements

Since the ratio of the solvency assets to the solvency liabilities is equal to 1.13 as at December 31, 2023, there is no requirement to hold back funds upon termination from the Plan.

Plan Amendments

There were no plan amendments in 2024.

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 AABC, both of which report on a regular basis back to the Board through the Human Resources Committee.

Academic and Administrative Benefits Committee (AABC)

The AABC consists of three members recommended by URFA, one retired member recommended by URAAPA and three University representatives. At **December 31, 2024**, the AABC consisted of the following members:

Current Committee Members	Faculty/Department	Meetings Held	Meetings Attended
Dean Biesenthal	Human Resources	11	11
Peter Douglas	Mathematics & Statistics (Chair)	11	10
Dianne Ford	Executive Offices	11	7
Bradley Martin	Protective Services	4	4
Larry Miller	URAAPA (retired member)	0	0
Glen Raboud	Financial Services	5	4
Dr. Zhou (Joe) Zhang	Business Administration	11	7
Past Committee Members	Faculty/Department	Meetings Held	Meetings Attended
Gregory Bawden	Centre for Continuing Education	5	4
Gaynor Kybett	URAAPA (retired member)	11	11
Lamont Stradeski	Financial Services	6	5

Meetings of the Committee

The Joint Pension Investment Committee (JPIC), which is made up of members of the AABC and the Non-Academic Benefits Committee (NABC), 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 pension plan 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 and Expense Rate	➤ Approved Cost of Living Adjustments (COLA) for Eligible Pensioners
➤ Participated in Environmental, Social & Governance (ESG) Education	➤ Approved the 2025 Budget and Workplan
➤ Reviewed and Recommended AABC terms of reference	➤ Reviewed and Recommended the 2024 Statement of Investment Policies and Goals (SIP&G)

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 defined benefit plan members an overview of the Plan at December 31, 2024
- Review 2024 Master Trust investments and performance
- Report on the 2024 activities of the Academic & Administrative Benefits Committee (AABC)

Please contact the Pension and Benefits unit in Human Resources or any member of the AABC 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 Academic & Administrative Pension Plan (defined benefit component) at December 31, 2024. Full details contained in the legal plan documents as well as applicable legislation will govern in all cases.