Change is coming to your Western Pension Plan  
Questions and Answers  

(Updated October 14, 2016)

What are the benefits of the move to Sun Life?

This move will bring many benefits to Western Pension Plan members including:

- The ability to see your account valued on a daily basis and to make investment changes on any business day
- More details about the holdings within each investment
- Better online access, new mobile account access and investment changes via phone
- Access to investment advice

Will fees be increasing?

No. Overall, fees* at Sun Life will be very close to, or lower than fees paid by members under the current structure. As well, the Joint Pension Board is pleased to let members know that they have negotiated a 10-year lock on fees, which would not have been possible without this consolidation of services.

* Total fees include investment management fees, custodian fees and fund operating expenses.

When will the move to Sun Life happen?

The move is happening in a few stages:

- The custody of the investments of our plans was transferred from Northern Trust to Sun Life on September 30, 2016.
- Around November 21, 2016 you will be able to visit the Sun Life website if you wish to have an early look around.
- In early January, you will receive a welcome letter from Sun Life with information on how to register and access your online account at sunlife.ca/western, however, you will not yet see a balance in your account.
- Around the end of January 2017, another letter will be sent to you by Sun Life Financial, letting you know the account transfer is fully complete and you may begin making transactions.

Also keep in mind that December 15, 2016 is the final date to make investment changes to be effective December 31, 2016. At the end of January you will be able to take advantage of daily valuation on the Sun Life site.
**Will the investment choices change?**

All of the same investment choices familiar to pension plan members will be available after the transition to Sun Life. The Western Joint Pension Board continues to represent members’ interests and will continue their oversight and evaluation of all investment options in the future.

When your account is transferred your pension savings will remain in the same investment selections you last selected.

**Will I still be able to select one set of investments for my regular (required) contributions and different investments for my voluntary contributions?**

You will notice that the Sun Life website displays your account information in a different way to what you have seen in the past. Your funds are all still there but they are organized and displayed in a new manner. Instead of seeing “Regular” and “Voluntary” accounts, you will see your investments divided between “Member” and “Employer” investments. You continue to be responsible for the investment allocation of all contributions and can choose to invest both of these in the same way, or make two different investment allocations for the two funds. Your “Member” investments include both your Regular and all Voluntary contribution you have – both locked in, and non-locked in.

Your Employer and Member investments may be allocated to the same, or different funds.

Prior to the move to Sun Life, a small percentage of Western Pension Plan members have selected different allocations for their Regular Contributions versus their Voluntary Contributions. This will be changing. Western will be communicating separately with these members to give more details about how the above changes will specifically affect them.

**Will pension plan contributions change?**

No. Decisions such as contribution levels (the amount contributed by Western and the member), eligibility, retirement dates and other such decisions are subject to collectively bargained compensation agreements at Western.

**I may retire soon. How will the move to Sun Life affect me?**

If you are planning on retiring in late 2016, or early 2017, please contact Western Human Resources at 519-661-2194, and ask for an appointment to speak with one of our Western Pension & Benefits consultants. They can explain considerations that will help you make the best choices as you retire.
**Will I still get an annual pension statement?**

In April 2017, you will receive your final annual statement from Western, providing you with information about your pension in 2016. In the future, statements about your account will be coming from Sun Life.

**Will this affect my benefits before or after retirement in any way?**

No, this change does not affect any entitlements in your pension or benefits. It simply is a change and improvement in how services are managed and delivered to members.

**What about the quality of service for members? The Western Human Resources team provides great response and service to our pension questions and requests.**

Sun Life was selected because of the high quality of the services they are able to provide to our members. The opportunity for more robust member services and technologically advanced services is one of the reasons why the decision was made for a change. One of the most positive member services changes will be a move to daily valuation of investments and the opportunity to initiate trades and redemptions on any day of the month – all great service improvements consistent with current industry practices.

We do understand that Western faculty and staff members appreciate the personal service provided by our pension team members. Western Human Resources staff will continue to be involved in some pension related activities, such as bringing new members on board, changing levels of pension contributions or deductions from pay, planning for retirement, etc. Western Human Resources will also be working in partnership with Sun Life to solve any concerns or issues that may arise.

Of course, the Joint Pension Board will remain committed to reviewing the available investment strategies and making decisions with regard to policy, managers and mandates. The Director and Associate Director of Investments will continue to monitor the performance of investment managers closely and will continue to research new investment strategies for the Board’s consideration.

**Will a new provider have an office on campus?**

There are no plans for a Sun Life office on campus. We know that many of our members have expressed an interest in being able to access more information and services online and via phone and the move to Sun Life will make that much easier. Sun Life will be on campus for education and information sessions and to meet one-on-one with individuals who are planning a move to the Sun Life Retirement & Savings Plan. This flexibility in how members would like to seek information and initiate pension transactions is one of the advantages of moving to an experienced service provider.
**Will it take much of a member’s time to make this move?**

Western and Sun Life are working together to make the transition as smooth as possible for members. You will need to register to have access to the new Sun Life member site. After you are registered you can login to the Sun Life site directly, or if you are an active member of the pension plan (still working at Western), you can login from the Western HR website using your Western user ID and password.

One other important step will be to enter and confirm your beneficiary information on your Sun Life account.

This change may be an excellent time and opportunity to review your investments, learn about the online tools available, and take advantage of other Sun Life resources and advice. This will allow you to explore all that this change will offer in improved information and services.

**How did Western choose Sun Life?**

In 2014 Western issued a Request for Proposals to select a provider of a Retirement Income Fund to Western retires. That process attracted proposals from Canada’s top companies, gave us a good comparison of retirement and pension service providers, and made it clear that Sun Life was the best choice to provide a RIF option for retires.

- Early in 2016, Western Human Resources, on behalf of the Joint Pension Board, conducted a thorough review of our pension operations, specifically with members’ interest in mind. The review included:
  - A review of those external companies who are currently providing pension related services, including our plan custodian Northern Trust and the company that provides the online recordkeeping system - Buck
  - An assessment of current and future risks
  - A review of all options for the future.

The review concluded that a consolidation of services that are now performed by Human Resources and a number of external providers, under the umbrella of one provider, would allow us to offer better member services and decrease risk of our operations. Human Resources made a recommendation to the JPB to further explore Sun Life Financial as the “best in class” provider. The Joint Pension Board conducted due diligence, including a meeting with Sun Life representatives. The Board also concluded that consolidation of services, utilizing the expertise of Canada’s number one provider of defined contribution plans, would allow a unique opportunity to provide high quality, cost effective, client focused operational leadership and bring substantial new benefits to our members.

The Board instructed Human Resources to begin negotiations with Sun Life, and to provide information sessions for members and seek member input before all details of the contract are finalized.
What kind of input did you seek from members?

As Western worked on details of our contract with Sun Life, members were invited to attend information sessions to learn more about the changes. We also asked for input including questions and comments that were used to help strengthen the contents of that final contract.

If member services are being moved to Sun Life, what is happening to the Human Resource employees who do this work?

As each current member of our pension team is a highly skilled, valued employee, Western will take advantage of the opportunity to put those skills to work in other areas of Human Resources. Western will continue to employ a small number of individuals in pension-related positions, and others will be redeployed to other areas of Human Resources where their expertise is required. The affected employees have already been given a description of their new, permanent, full-time role within Human Resources that will be effective following the transition of operations.

What is the cost of the transition?

The pension team is handling most of the work to transition to Sun Life. Significant legal assistance is required to review governing documents, file with regulatory authorities, review and monitor re-balancing rules, and to oversee communications and reporting channels between investment managers and the new custodian of the assets. We believe the investment is worthwhile to ensure our members have a flexible, responsive and secure pension operation. Costs of the transition will be fully funded by the University, not members.

Is this just a way for the university to save money or have less hassle?

No. This is a decision of the Joint Pension Board, not the University. As with decisions in the past about operational changes, this decision was made to serve the best interests of our members, and the University.

- Running pension operations is an increasingly complex, and risky business.
- It would require substantial expenditures for Western to update our operations to match what can easily be provided by Sun Life Financial as an experienced, high quality external provider.
- By turning some operational aspects over the Sun Life, Western Human Resources will be better able to focus on the total rewards strategy for faculty, staff and leaders.