The Future of Western's RIF Program

(updated December 16, 2014)

Not able to make it to our Sun Life meetings December 16th?

Western RIF and Pension Plan members were invited to an information session on December 16, 2014 to learn more about the new Sun Life RIF program.

If you have questions, call us at 519-661-2194 or email hrhelp@uwo.ca. Early in 2015, we will be communicating more details and important information to all those affected by this change. You will have a number of opportunities to learn about your options and make decisions that are right for you.

Western Human Resources is pleased to let you know that on November 20, 2014, Western's Board of Governors approved a recommendation to sign an agreement with Sun Life Financial as a preferred provider of a Retirement Income Fund (RIF) program for Western retirees. This decision will provide an outstanding opportunity for those ready to begin receiving an income from their pension savings. Our goal has been to provide a more optimal RIF program, and with this decision, we are confident that our current members of the Western Retirement Income Fund (Western RIF) and future retirees will experience increased investment choices, a high level of client service, and access to financial planning advice.

Sun Life Financial is a leading international financial services organization, providing a diverse range of investment and insurance products and services to individuals, corporate and public sector customers. Headquartered in Canada, they also have operations in key markets worldwide including the United States, the United Kingdom, Ireland and Hong Kong. They have shown through this process that they are committed to providing the same top quality products and services to Western retirees that they are known for globally.

The current Western RIF will be discontinued in late 2015. Western RIF members and new retirees will now have the option to move/join the new Sun Life RIF program, which offers many benefits, including some previously unavailable to Western RIF members:

- **Improved investment choices**: Substantial replication of most existing and familiar Western RIF investment choices, the addition of some choices currently only available to the University Pension Plan members, and introduction of new, high quality investment choices specific to the decumulation phase.
- **A fair fee structure**: Fees similar to or lower in cost than currently paid by Western RIF members. Those joining during the first contract with Sun Life (10-year contract) will be guaranteed the same fee structure as quoted in the RFP for their lifetime and thereafter to any surviving spouse.
- **Daily valuation and account management tools**: Daily valuation allows members to make changes on any business day, rather than monthly as currently available in the Western RIF; optional automatic rebalancing of portfolios assists individuals in managing...
market risk; excellent reporting and access to high quality web-based information supports informed decision making.

- **London based client servicing**: Includes one-on-one consulting services and group information, education and retirement planning sessions.
- **Access to investment, tax and estate planning advice** – Provided by a team of licensed, experienced, dedicated retirement consultants focused on the decumulation phase. This is in addition to unlimited phone access to retirement consultants and a breadth of web based tools and webinars. There will be no additional fees for this advice, even if the advice is related to funds transferred from sources other than the University Pension Plans.
- **An invitation to bring in the assets of a spouse/partner, non-registered assets** and other previously ineligible assets to the new provider. Those individuals who were part of the pension plan but previously chose another external RIF provider will also be able to enter this program. The same highly competitive fee structure will be in place for these assets.
- **Group life annuities**: The ability to purchase life annuities at group pricing with no commission.
- **Ongoing monitoring and input**: We heard that our members trust the Western Pension team and want their continuing input into the RIF. Western professional investment staff have been heavily involved in the development of the initial investment choices, and will continue to monitor and provide input into the selection of investment strategies and management firms throughout the agreement. Western staff will also work with Sun Life on communications to our Pension Plan members, education opportunities for members and client services.

**Getting ready for the move**

Western will be in touch with you during the transition period – to invite you to learn more about the change from both Western and Sun Life, to answer your questions, explain your options, and help you make the transition decisions that are best for you. Our intention is to provide three opportunities in 2015 to make the move – likely May 1, July 1 and December 1, 2015, so there will be ample time to consider your options. Of course, members will continue to have the option to move their funds to another provider of their choice at any time.

**Background Information on Changes to the Western RIF**

**Stakeholder input**
In September and October 2014, all Western RIF members and Western Pension Plan members were invited to attend information sessions to learn more about the review of the Western RIF, and about a proposed alternative – a RIF provided by a preferred external provider. Over 300 members attended the information sessions. Subsequent phone calls were made to many individuals who attended to seek their feedback and answer any further questions.

In addition to meetings for Western RIF and Pension Plan members, information meetings were held for representatives of Western employee groups.

The review process

In April of 2014, the Western’s Human Resource leadership team notified stakeholders that while the Western RIF has been a satisfactory option for our retirees for a number of years, it may not be an optimal solution by today’s standards.

A Request for Proposals (RFP) was extended to identify alternatives to the continuation of the Western RIF. Five organizations responded to the RFP. In June 2014, the Western Board of Governors gave their approval for Human Resources to continue discussions with organizations that responded to the RFP and to gather information on what an external RIF provider could offer and what the implications would be for our Western RIF members and future retirees.

An Evaluation Committee consisting of two current Western RIF members and four pension and investment professionals on staff at Western created a shortlist of three organizations for interviews and demonstrations of their online tools. The best proposal/firm, Sun Life, was then selected to enter deeper discussions that allowed Western to develop a detailed (but not final) picture of what a new externally provided RIF plan could offer to Western retirees. It was these details that were presented to stakeholders for feedback. That feedback led to further discussions with Sun Life and development of a recommendation that was brought forward to Western’s Audit Committee and finally to Board of Governors on November 20, 2014, where it was passed.

Western Human Resources will now proceed to finalize the terms of the agreement with Sun Life Financial.