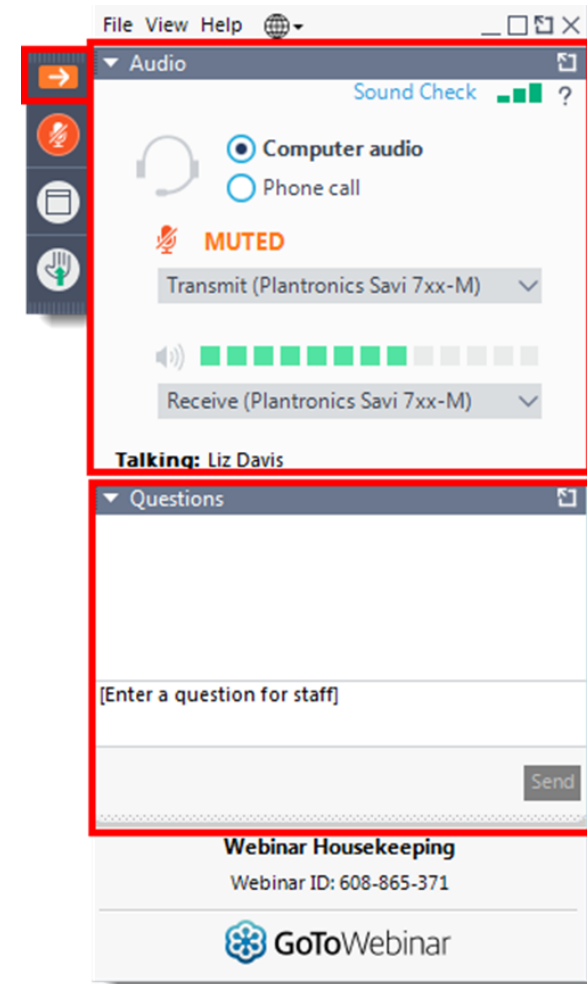


# While we wait – audio instructions

1. Select the Audio section of the GoToWebinar control panel
2. Select Computer audio or Phone call
3. To submit a question or comment, type it in the Questions panel



# Welcome

## Lutheran Church – Canada (LCC)

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May 16, 2022



# Agenda

- About CAAT
- The benefits of joining CAAT
- Overview of the process
- How DBplus works
- Additional benefits



**Quick poll**

# About CAAT

The CAAT Pension  
Plan was established  
in 1967

“Profit-for-members” Trust

Secure benefits

Accessible

Jointly-sponsored



# Value that benefits everyone

Joint sponsorship means employee and employer representatives make the decisions



# Board of Trustees

Sets the investment strategy  
and funding risk



# Sponsors' Committee

Approves Plan amendments and  
files actuarial valuations





# Professional pension expertise

Over 300 staff

Aligned to delivering secure and sustainable pensions

No commissions

We are CAAT members too!



**We are a sustainable  
high performing plan**

**Our performance is  
demonstrated year after year.**



# Growth

Assets grew by \$2.4 billion during 2021.

**\$15.8 B**

START OF 2021

**\$18.2 B**

START OF 2022

# Security

We have significant reserves to provide enhancements and weather market disruptions.

**\$4.4 B**

FUNDING RESERVES

**\$2.0 B**

ASSET VOLATILITY RESERVES

# Strength

We are more than fully funded.

**124%**

FUNDED

**\$1.24**

FOR EVERY DOLLAR

## **10-year average annual net return**

Our average return puts us at the top when compared to our peer plan group.

**11.1%**

10-YEAR AVERAGE ANNUAL NET RETURN

## Annual net return

Our 2021 return was 15.8%, putting us near the top when compared to our peer plan group.

**15.8%**

ONE-YEAR AVERAGE ANNUAL NET RETURN

# Strong foundation and growing



**200+**

Employers



**75,000+**

Members



# The benefits of joining CAAT

# The benefits of joining CAAT for you

Everyone will earn a DB pension

LCC DC accounts can be used to purchase additional pension

LCC DB benefits transferred to CAAT and remain protected



# The benefits of joining CAAT for LCC

- Merging the LCC DB Plan is a **cost-effective way out at a fixed price**
- **Stable, predictable contributions** and financial reporting
- **Offer a defined benefit plan** to all employees going forward

# The benefits of LCC joining for CAAT

- **Diversifies** membership
- Even more **efficient** - Better economies of scale
- Increases **defined benefit** pension coverage

# Overview of the process

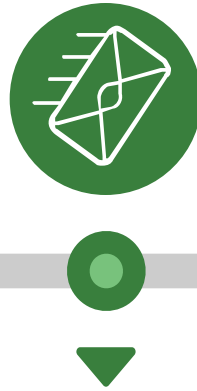
# Process timeline

**2021 - 2022**

Due diligence



**May – Dec, 2022**  
Member / employer  
communication,  
information sessions

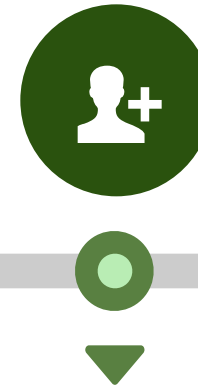


**Dec 2022 – Mar, 2023**

90 day consent phase.  
Information sessions,  
microsite, online estimator,  
call center



**April 1, 2023**  
If vote successful,  
employees join DBplus  
on April 1, 2023



**2024**

Past DB benefits and  
assets transfer to CAAT  
after regulatory approval;  
DC wind-up



# Requirements for the DB merger to proceed

## ✓ Plan membership requirements:

- At least **two-thirds of active defined benefit members** must vote in favour of the merger
- No more than **one-third of inactive members** (former members, retired members and any other persons entitled to benefits) can object to the merger

## ✓ Regulatory requirements:

- Approval from the Alberta regulatory authority
- Approval from other regulatory authorities applicable to members

# DC wind-up

- Your accounts continue to be invested until the regulator approves the wind-up
- You will have options on what to do with your account balance:
  - Transfer to CAAT to purchase additional pension
  - Transfer to a personal Locked-in RRSP or Locked-in Retirement Account
  - Purchase an annuity from an insurance company



# How DBplus works

# CAAT Plan's second plan design

DB pension design

Fixed contribution rate

“Profit-for-member” model provides enhancements based on funding level



# Contributions and benefits

Benefits earned directly linked to contributions made

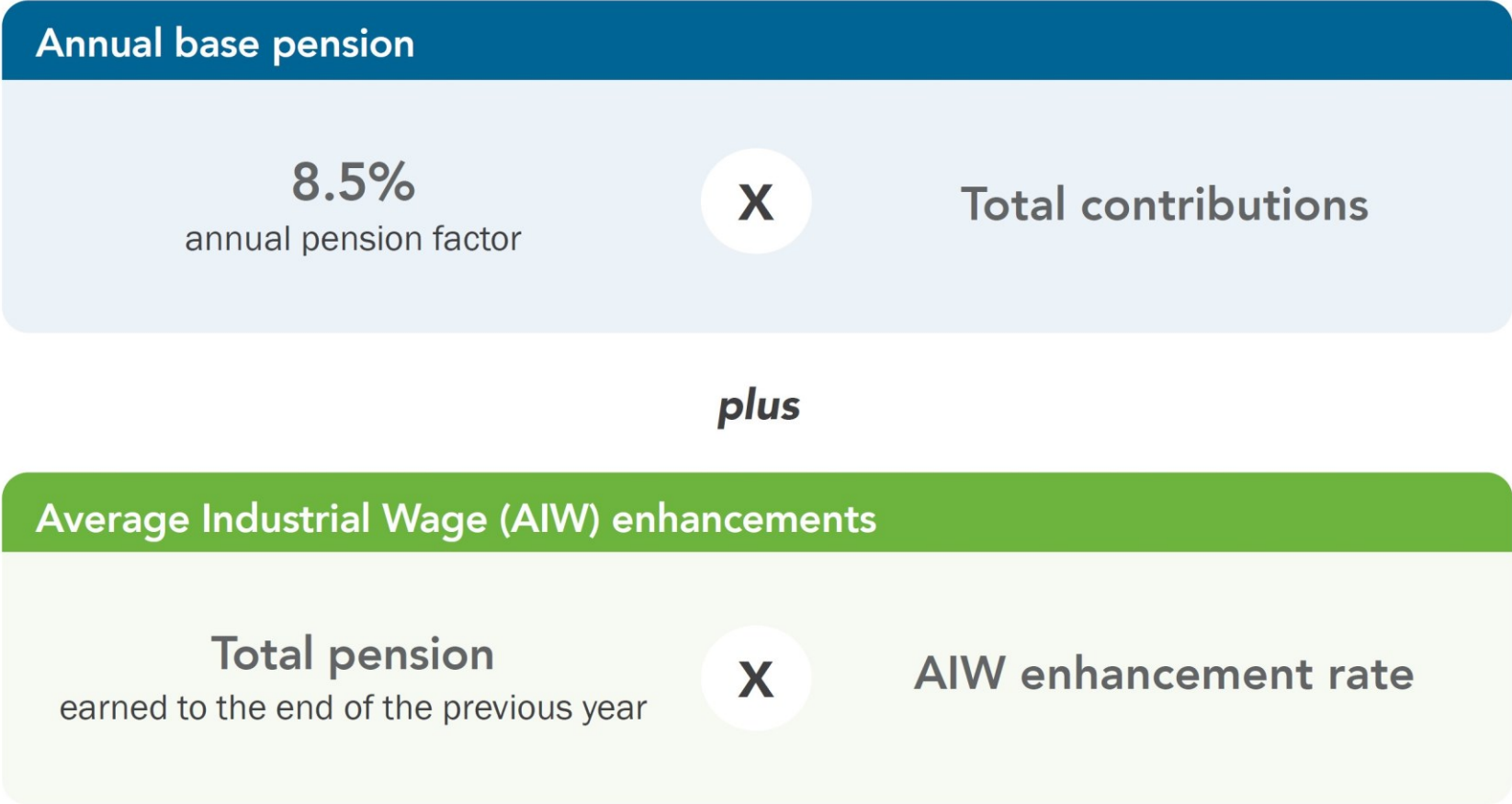
Every dollar contributed increases pension



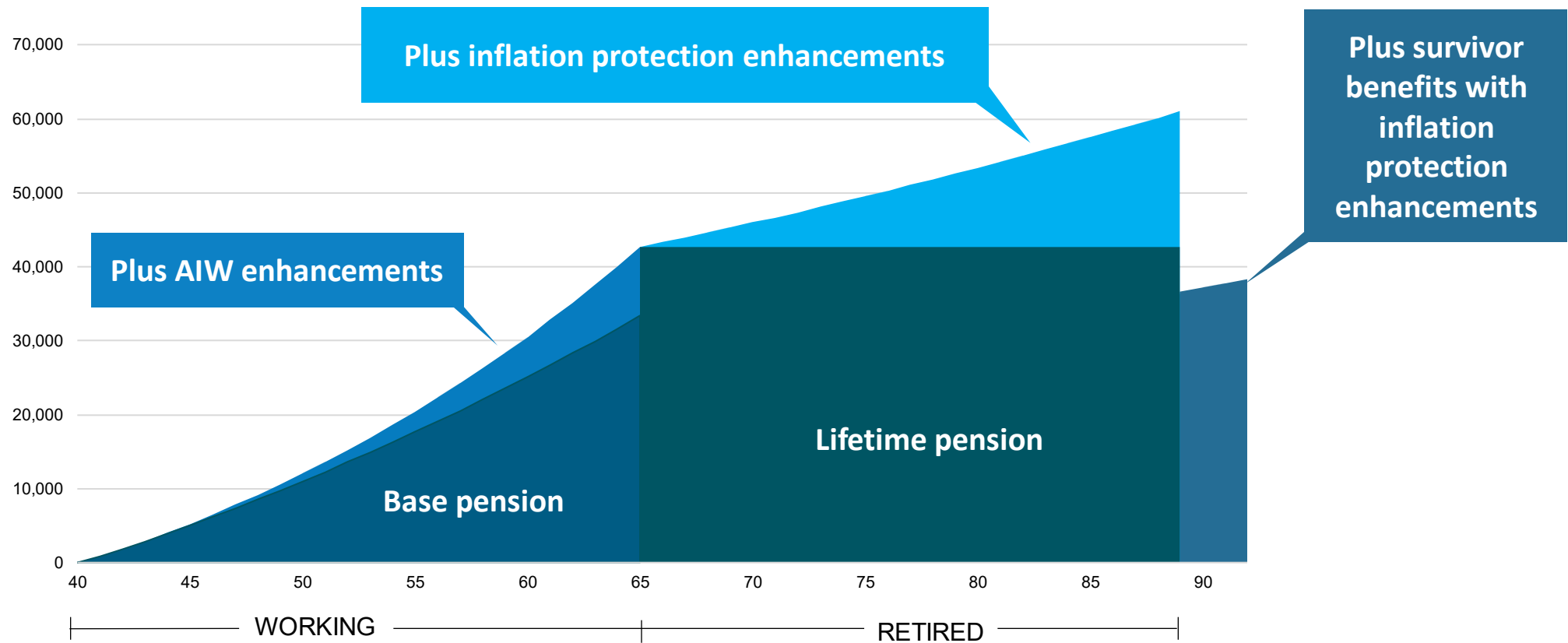
# How do contributions work?

- Members contribute 4% of earnings
- Employers contribute 6% of earnings
- Contributions are tax-deductible, subject to the *Income Tax Act* (similar to the LCC plan contributions and RRSP contributions)

# The DBplus pension formula



# Lifetime secure DB pension with an upside



# DBplus – “profit-for-member” model

The better the Plan does, the more enhancements DBplus members receive

- ✓ Level 2+: (75% CPI) Benefit enhancements while retired
- ✓ Level 3+: (100% AIW) Benefit enhancements while contributing
- ✓ Level 4+: Better early retirement subsidies (from 5% to 3%)
- Level 5+: Pension factor increases (from 8.5% to 9.5%)

# DBplus – “profit-for-member” model

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- ✓ **Level 4+: Better early retirement subsidies (from 5% to 3%)**
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**Additional  
benefits**

# Additional DBplus features



Subsidized early  
retirement



Conditional inflation  
protection enhancements



Survivor benefits  
at no cost

# What if I retire before 65?

- DBplus early retirement adjustments are subsidized
- Only\* reduced by 3% to 5%\*\* per year from age 65
  - \* Compared to CPP which is reduced by 7.2% per year from age 65
  - \*\* Depending on Funding Level (currently 3%)

# What conditional enhancements will I get?



Average Industrial  
Wage increases at  
100% of AIW



Post-retirement inflation  
increases at 75% of CPI

# Survivor pensions

- No cost to member
- 60% survivor pension
- Payable to spouse for life, then eligible child(ren)
- Applies to eligible spouse if you have a new spouse after retirement
- Guarantee of a minimum of 60 monthly payments of the member's initial pension

# Purchasing additional pension

DBplus members can purchase additional pension which must be tied to employment:

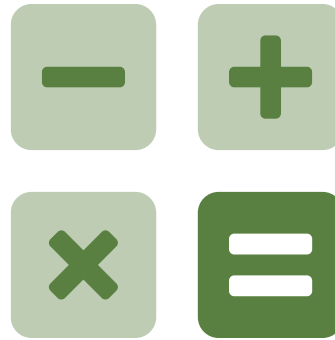
- With LCC, prior to joining the CAAT Plan and once the DC plan is wind up
- As a member of a Registered Pension Plan with a previous, non-participating employer
  - Provided the value of any plan entitlements have been transferred out of the plan

**Quick poll**

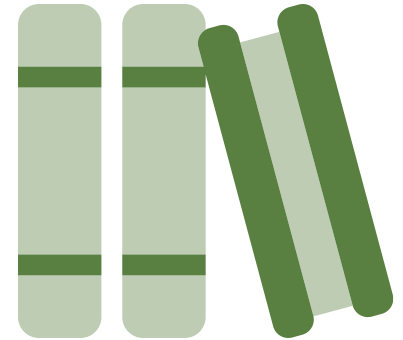
# Website and online resources



CAAT Pension Plan  
website



DBplus Value Tool



Member handbook



# Contact us

[info@dbplus.ca](mailto:info@dbplus.ca)

[www.caatpension.ca](http://www.caatpension.ca)

