

Your 2017 Annual Pension Statement

Enclosed is your annual pension statement for the Canadian Blood Services Defined Benefit Pension Plan. This statement shows your pension benefit earned for service as of December 31, 2017. Your pension statement has been prepared to give you a dollars-and-cents picture of the income you can expect from the pension plan and government plans.

Your pension from the plan is determined based on a set formula using your years of pensionable service and your pensionable earnings. You and the Canadian Blood Services share the cost of the plan by way of contributions made to the plan.

Trustees of the Canadian Blood Services Defined Benefit Pension Plan

Union Trustees

Brendan Dick (Co-chair)

*Hospital Employees' Union
BC Health Service Division (CUPE)*

Cheri Hearty

Ontario Public Service Employees Union

Fil Falbo

Ontario Nurses' Association

Debra Ducharme (Alternate)

British Columbia Nurses' Union

Canadian Blood Services Trustees

Pauline Port (Co-chair)

Chief Financial Officer & Vice-President Corporate Services

Kelly Butt (appointed 2018)

Canadian Blood Services Board of Directors

Andrew Pateman

Vice-President, People, Culture and Performance

Katarina Gustafsson (Alternate)

Director, Financial Accounting

IMPORTANT INFORMATION – Your pension beneficiary may need to be updated

If both the Spousal Designation and Beneficiary Designation shown on your annual statement are correct you do **not** need to complete a new *Beneficiary and Spousal Designation* form.

If either your Spousal Designation or Beneficiary Designation shown on your annual statement is not correct or needs to be changed please complete the *Beneficiary and Spousal Designation* form found on the intranet and return it to: The Canadian Blood Services Defined Benefit Pension Plan, Defined Benefit Plan Administration, Morneau Shepell, 800 Bay Street, 7th Floor, Toronto, ON, M5S 3A9. Please do it now – it only takes a couple of minutes.

If you should die before you retire, the pension plan will normally pay a death benefit to your spouse. If you do not have a spouse, or if your spouse dies before you, the death benefit is paid to your beneficiary and will default to your estate if no designation is made.

It is a good idea to designate a beneficiary to receive your pension value in case you die and you do not have a surviving spouse.

Important Notice: If you plan on moving, remember to update your pension records.

For pension members who are continuing to work for Canadian Blood Services, please contact your Employee Support Representative or use Employee Direct Access to update your address and phone information. Former employees may contact Morneau Shepell to update their contact information at 1-877-252-4442.

Glossary of Terms You Need to Know

Here are some important terms you should understand as you read your pension statement. Please refer to your *DB Pension Plan Member Booklet* for more detailed information about your pension plan.

Best Average Earnings

This refers to an average of your earnings over five consecutive years of membership in the plan. The five-year period which produces the highest average annual earnings is used. For pension purposes, your earnings are converted to the full-time equivalent annual earnings rate (if you work on a less-than-full-time basis). These annualized earnings are used in determining the Best Average Earnings.

Deferred Pension

When a pension is deferred, pension payments start at your future designated pension commencement age. This pension is based on your best average earnings and the number of years of completed pensionable service at your termination date.

Pensionable Earnings

For plan purposes, your earnings are your basic pay and do not include bonuses, shift premiums, or overtime pay.

Interest on Your Contributions

The rate of interest credited on your required contributions is prescribed by pension legislations and is equal to the chartered banks' five-year personal fixed term deposit rate. Your MPF contributions, if any, are credited with interest based on the net rate of return on the pension plan fund.

Pensionable Service

Service while you are a member of the plan, during which required contributions to the plan are being made by you or on your behalf. If you work less than full time, pensionable service is prorated and is based on your actual earnings in relation to the full-time equivalent earnings.

Spouse

Pension legislation in each province defines spouse slightly differently and, since the plan applies to members across Canada, the definition will depend on where you work. Refer to the Canadian Blood Services DB Pension website for details, or call the Canadian Blood Services DB Pension administrator at 1-877-252-4442.

Commuted Value of Your Pension

The commuted value of your pension is the lump sum value, in today's dollars, of the monthly pension you are entitled to at your retirement date. The basis used for the calculation of the commuted value is prescribed by pension legislation.

Vested/Vesting

Vesting refers to your right to receive a pension from the plan, paid for with your and Canadian Blood Service's contributions. Your benefits are locked-in once they are vested. Effective July 1, 2012, your benefits are vested and locked-in immediately.

Who to contact

when you need answers... For questions about the Pension Program

• Canadian Blood Services DB Pension Plan Website

cbsdbpension.hroffice.com

You will find a wealth of information about the pension plan, including

- Pension plan summary
- DB Pension Plan Member Booklet
- Copy of your current annual statement
- Pension forecast tool
- Trustee Talk – Record of decisions from the trustee meetings and other information from your pension plan trustees including
 - Actuarial Valuation Report
 - Audited Financial Statements
 - Statement of Investment Policies and Procedures
 -
- Frequently asked questions
- Forms and documents
- Information on government benefits
- Links to related websites

• Canadian Blood Services Pension Call Centre

1-877-252-4442