



Municipal Pension Plan

Report to Members



An important update on your plan

A sustainable future you can count on

MESSAGE FROM THE TRUSTEES

As your Municipal Pension Board of Trustees, we're proud to manage a plan that will provide you with reliable pension income throughout your retirement.

A retirement income you can count on

The Municipal Pension Plan's latest valuation (a health checkup by a financial expert) showed the plan is fully funded. This means the plan has enough money to pay pensions for all current and future retirees.

We oversee an investment portfolio that is carefully managed to optimize risk and protect the plan's funding over the long term. Despite short-term investment losses in 2022, our long-term investment strategy is on track. The plan is well-positioned to withstand market fluctuations. Your pension is secure and will be there for you when you retire.

Changes to the plan effective January 1, 2022, improve the lifetime pension for most active members. You can learn more about how the changes affect you by visiting mpp.pensionsbc.ca and clicking on *Plan changes*.

A climate strategy to secure your pension

We know climate change represents both a risk and an opportunity for the plan. That's why we're preparing the plan for a low-carbon future and have set a goal to reach net zero in plan investments by 2050.

In support of this goal, we are also moving to cut the emissions intensity of our investments by 55 per cent by 2030.

The plan's investment manager, British Columbia Investment Management Corporation, has an updated Climate Action Plan that is helping to position the plan to manage the risks and investment opportunities resulting from climate change. Read the plan at bci.ca.

Value for young members

Retirement may feel like a long way off if you're one of the plan's younger members. Your pension will go the distance and help provide you with a secure financial future in retirement. Recent research from the Canadian Public Pension Leadership Council has shown Canadians over 65 with an employer pension had an average of five times more retirement savings than people without an employer pension.

If you're a new or young member of the plan, we encourage you to make use of the educational tools available on our website. We strive to make pension information more understandable and accessible for all members—our short courses and instructor-led webinars provide you with the most important information when you need it.

For more on how the plan works for you, visit the plan website and click *Your Pension > Welcome to the plan*.

Year at a glance (\$ millions)

74,165 – **2,269** + **2,600** – **2,691** – **254** = **71,551**

Net assets
January 1, 2022

Investment loss

Contributions

Benefits
payments

Investment and
administration

Net assets
December 31, 2022

Municipal Retiree Benefit Trust funding

EFFECTIVE NOVEMBER 17, 2022

The Municipal Pension Plan partners approved an amendment to the Joint Trust Agreement, which directed the board to provide \$70 million of additional funding to the Municipal Retiree Benefit Trust (the fund that provides plan retirees with group health and dental benefits) in up to three transfers by December 31, 2024. This additional funding will be taken from current employer contributions that would otherwise go into the inflation adjustment account. Group benefits are funded differently from your pension and are not guaranteed; however, these additional funds will help address cost pressures and contribute to the sustainability of the fund.

Go paper-free.

Receive your pension information digitally. Go to My Account, confirm your contact information and select "yes" to go paper-free.

myaccount.pensionsbc.ca



Spousal eligibility for pre-retirement death benefit

EFFECTIVE JUNE 23, 2022

Plan rules were updated so that pre-retirement death benefits are calculated consistently for all beneficiaries.

Paid leave for illness or injury

EFFECTIVE JANUARY 1, 2022, AMENDED MARCH 31, 2022

Employees covered by the BC *Employment Standards Act* can now access up to five days of paid leave, plus three days of unpaid leave, per calendar year for personal illness or injury reasons. Pension plan members will continue to contribute and earn service while away from work during the paid portion of this leave. Employees also have the option to purchase service for unpaid leave taken.



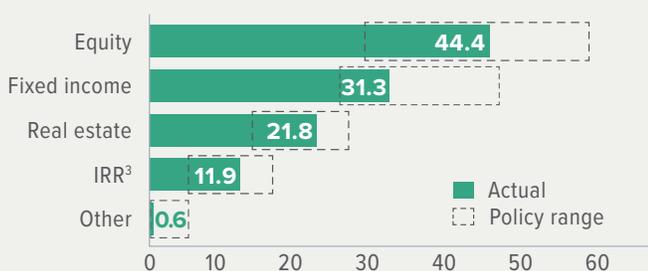
Thinking about retiring?

Get an instant estimate with the pension estimator in My Account. See how each pension option could affect your future payments. It takes just a few clicks and is available 24/7.

PLAN PERFORMANCE¹

The information here is an overview of the plan's financial status. For audited financial information and statements, read the *2022 Annual Report*, available on the plan website in August 2023.

Asset allocation² (%) as at December 31, 2022



1 These highlights are preliminary and unaudited
 2 Total percentages do not add to 100% due to leverage
 3 Infrastructure and renewable resources

For the plan's full investment strategy, see the Statement of Investment Policies and Procedures (SIPP), on the plan website at mpp.pensionsbc.ca/governance-documents. The SIPP provides objectives, policies and principles for plan asset management.

Net assets available for benefits (\$ billions)

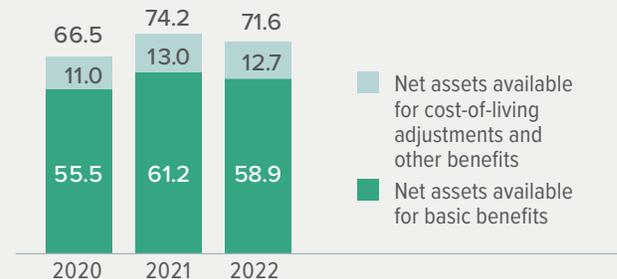


Photo: **Karina Monslave**, Municipal plan member

Toll-free (Canada/U.S.): 1-800-668-6335
 Municipal Pension Plan, PO Box 9460, Victoria BC V8W 9V8



mpp.pensionsbc.ca

Reg. T.M. Municipal Pension Board of Trustees