

NOTICE

SPECIFIED ONTARIO MULTI-EMPLOYER PENSION PLAN ("SOMEPP") ELECTION

To: All Members and Former Members of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL 1687 PENSION PLAN (the "Plan") Registration No. 0579060

The purpose of this Notice is to remind you that the Trustees filed a written election with the Financial Services Regulatory Authority of Ontario (FSRA) declaring the Plan to be a SOMEPP under the Ontario Pension Benefits Regulation ("the Regulation"). This Notice is required under the Regulation as the Trustees have recently filed an actuarial valuation for the Plan as at December 31, 2022 with FSRA.

The Regulation allows a SOMEPP to be temporarily funded until January 1, 2024 as a continuing plan and not as if it were winding up on the valuation date. While it is unlikely that the Plan will be wound up, the Actuary is required to complete an additional solvency valuation assuming the Plan was wound up as of the valuation date. As at December 31, 2022, the ratio of the market value of assets to the windup liabilities (the transfer ratio) was 86.42%. In the unlikely event that the Plan had wound up as of December 31, 2022, benefits would have been reduced by 13.58%.

What do we mean by wind up?

A wind up occurs when all pension plan members stop receiving pension credits for future hours worked. For example, a single employer pension plan will generally be wound up when the employer becomes bankrupt.

The Plan provides pensions to the employees of many employers. The bankruptcy, or withdrawal, of one of these employers does not result in **ALL** Members of the Plan losing pension benefits or in the Plan being wound up. This is one of the advantages of being a member of the Plan.

This low risk of winding up means MEPPS need funding rules that are different from those that apply to single employer plans and is why the government offers this temporary solvency funding exemption. The government is consulting with the pension industry to establish a permanent solution. Without this exemption, the Plan would be forced to significantly reduce benefits immediately.

You can rest assured that the Trustees will remain vigilant in overseeing the Plan and that they will do their utmost to ensure that you continue to receive complete and timely information. If you have any questions or want more information, please visit the local's website www.ibew1687.org or contact the administrator's office at:

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Board of Trustees

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