

July 13, 2021

**Sent via email:** [financeweb@novascotia.ca](mailto:financeweb@novascotia.ca); [pensionreg@novascotia.ca](mailto:pensionreg@novascotia.ca)

Kelliann Dean  
Deputy Minister  
Department of Finance and Treasury Board

Dear Ms. Dean,

I write to you on behalf of the Dalhousie Faculty Association in response to information shared by one of our Members regarding an interaction with former Deputy Minister Byron Rafuse about the Dalhousie Pension Plan. Our Member was left with the impression that Mr. Rafuse believed that the Dalhousie Pension Plan was in dire financial circumstances. Since nothing could be further from the truth, I believe it is important to share this brief update on the financial position of the Dalhousie Pension Plan with your office so that any potential misunderstandings can be corrected.

Our union represents approximately 970 academic staff at Dalhousie University, and we are one of several employee groups that participate in the Dalhousie Pension Plan which is a defined-benefit, employer-sponsored plan. As you know, the Dalhousie Pension Plan is exempt from funding on a solvency basis. In the attached analysis, our independent actuary Mr. Paul Chang (credentials) provides a historical analysis of the funded position of the Dalhousie Pension plan on a going-concern basis. The analysis includes also the contributions made by employees and the employer. All data are publicly available in the regular valuation reports. Mr. Chang's analysis takes into consideration the provincial funding requirements first introduced in 2019 that require funding to a higher level based on a new Provision for Adverse Deviation (PfAD) framework.

To summarize the analysis, the Dalhousie Pension Plan is in an excellent financial position. The plan is 97% funded as at the most recent valuation (January 31, 2020) which is above the historical average of 96% dating back to 2006. If the additional PfAD requirements had not been imposed – which increased the funding target by 7.7% – the plan would be 102% funded. Based on the most recent valuation, employer contributions to the plan (9.15% of payroll) are at the lowest level since 2006, the first year included in the analysis.

I hope this analysis will put to rest any concerns you might have that the Dalhousie Pension Plan is in a precarious financial position; quite the opposite is true. I would be happy to meet with you to review this information, and I have copied key members of the Dalhousie University administration to invite them to join us if you wish to meet.

Sincerely,

A handwritten signature in black ink, appearing to read "Tara Perrot". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Tara Perrot  
Dalhousie Faculty Association President, 2021-2022

- c. Gitta Kulczyki, Vice-President, Finance and Administration, Dalhousie University  
Matt Hebb, Acting Vice-President, Government and Global Relations, Dalhousie University  
Jasmine Walsh, Assistant Vice-President, Human Resources, Dalhousie University and Chair, PAC  
Pension Advisory Committee (PAC)

Enclosure.

## DALHOUSIE PENSION PLAN - HISTORICAL CONTRIBUTION SUMMARY

Information taken from valuation reports available on-line

A	B	C	D	E	F	G
All figures in (\$000s)		Member	Ratio of	Approximate		Estimated
	Actual	Contributions	Dalhousie	Dalhousie		Pensionable
	Dalhousie	(excluding AVC	to Member	Contribution		
<u>Year ending</u>	<u>Contributions</u>	<u>and buy back)</u>	<u>Contributions</u>	<u>as % of Payroll</u>	<u>Notes</u>	<u>Payroll</u>
June 30, 2007	16 337	9 629	170%	10,23%	Estimated from June 30, 2007 report	159 685
June 30, 2008	17 267	10 173	170%	10,24%	10.24% per report	168 623
June 30, 2009	18 283	10 768	170%	10,24%	10.24% per report	178 545
9 months to March 31, 2010	19 431	11 457	170%	10,24%	(actual 9 month figures are annualized for comparison)	189 753
March 31, 2011	24 438	12 067	203%	12,25%	12.25 per report	199 455
March 31, 2012	24 776	12 233	203%	12,25%	12.25 per report	202 198
March 31, 2013	22 921	16 097	142%	10,75%	12.25 adjusted for ee cont increase	213 205
March 31, 2014	24 703	17 423	142%	11,41%	11.41%per March 31, 2013 rerpot	216 435
March 31, 2015	27 667	17 688	156%	12,59%	12.59 per March 31, 2014 report	219 727
March 31, 2016	28 870	18 460	156%	12,59%	12.59 per March 31, 2014 report	229 317
March 31, 2017	29 280	18 720	156%	12,59%	12.59 per March 31, 2014 report	232 547
March 31, 2018	25 717	19 217	134%	10,79%	consistent with report	238 424
March 31, 2019	25 653	19 946	129%	10,37%	consistent with report	247 469
10 months to Jan 31,2020	24 728	20 604	120%	9,67%	(actual 10 month figures are annualized for comparison)	255 633
Jan 31, 2021	23 773	20 980	<b>113%</b>	<b>9,15%</b>	Actual Contributions taken from Jan 31, 2021 Certificate	259 814
Jan 31, 2022*	26 580	22 434	118%	9,55%	Estimate provided in the Jan 31 2020 valuation report	278 334
Jan 31, 2023*	28 565	23 219	123%	9,92%	Estimate provided in the Jan 31 2020 valuation report	288 076
Jan 31, 2024*	30 561	24 031	127%	10,25%	Estimate provided in the Jan 31 2020 valuation report	298 159

\* All figures taken from most recent valuation report as at Jan 31, 2021 and prior to savings related to agreed amendment to integrate CPP enhancement  
Effective Jan 1,2023, both the University contributions and employee contributions will be lower than shown due to the Plan amendment to integrate CPP enhancement.

	Ratio	Approximate
	Dalhousie	Dalhousie Contribution
	to Members	as % of Payroll
<b>SUMMARY</b>		
Average July 1, 2006 to Jan 31, 2021 (14 years and 7 months)	156%	11,02%
Average April 1, 2013 to Jan 31, 2021 (post July 1, 2012, 2% EE cont increase)	138%	11,15%
Lowest period from July 1, 2006 to Jan 31, 2021 - (Year ending Jan 31, 2021)	<b>113%</b>	<b>9,15%</b>
Average Feb 1, 2021 to Jan 31, 2024 (before savings related to amendment)	123%	9,91%

**CONCLUSION:** University contributions (as a % of payroll) for the year ending Jan 31, 2021 were the lowest in the last 15 years. After the amendment to integrate CPP enhancement (Jan 1, 2023), University contributions for the year 2023 will be less than 10.25% of payroll which will be lower than any period between July 1, 2006 and March 31, 2019. The ratio of University to Employee contributions are also at historical lows.

University Contributions are not at historically high rates. In fact, they are at the lowest rates in recent history.

## DALHOUSIE PENSION PLAN - HISTORICAL GOING CONCERN FUNDED POSITION

Information taken from valuation reports available on-line

All figures in (\$000s). All asset values shown below are based on market value (Certain reports used smoothed value for reporting purposes).

	A	B	C	D	E	F	G	H	I	J	K	L	M
		PTF	RTF	Total									
		Funded %	Funded %	Funded %	PTF Assets	RTF Assets	Total Assets	PTF Liabs	RTF Liabs	Total Liabs	PTF Surplus	RTF Surplus	Total Surplus
3	June 30, 2006	93%	118%	100%	431 109	215 317	646 426	463 455	181 905	645 360	-32 346	33 412	1 066
4	June 30, 2007	96%	125%	105%	482 116	253 799	735 915	500 961	202 857	703 818	-18 845	50 942	32 097
5	March 31, 2010	78%	100%	86%	400 287	289 624	689 911	514 059	288 874	802 933	-113 772	750	-113 022
6	March 31, 2013	82%	108%	91%	511 776	361 501	873 277	622 317	335 029	957 346	-110 541	26 472	-84 069
7	March 31, 2014	85%	109%	94%	591 162	412 657	1 003 819	691 916	380 182	1 072 098	-100 754	32 475	-68 279
8	March 31, 2017	93%	105%	98%	697 699	545 054	1 242 753	748 565	519 394	1 267 959	-50 866	25 660	-25 206
9	March 31, 2018	94%	104%	99%	705 337	603 150	1 308 487	750 153	577 884	1 328 037	-44 816	25 266	-19 550
10	March 31, 2019	95%	105%	100%	727 614	661 653	1 389 267	764 608	631 101	1 395 709	-36 994	30 552	-6 442
11	Jan 31, 2020 (old)*	98%	106%	102%	752 655	732 875	1 485 530	770 498	688 670	1 459 168	-17 843	44 205	26 362
12	Jan 31, 2020 (new)*	93%	101%	97%	752 655	732 875	1 485 530	812 959	722 554	1 535 513	-60 304	10 321	-49 983

### SUMMARY

15	Avg. of valuations to 2006 to 2019	90%	109%	96%
16	Best Result from 2006 to 2019 - (2007)	96%	125%	105%
17	Jan 31, 2020 (old)*	98%	106%	102%
18	Jan 31, 2020 (new)*	93%	101%	97%

\* Effective with the Jan 31, 2020 valuation, new reporting rules came into effect in Nova Scotia. The results provided include both the new (best estimate including mandated PFaD) and old methods.

All figures shown exclude present value of previously scheduled special payments

### CONCLUSIONS:

#### As of 2020, prior to the change in valuation method:

The PTF was at the highest recent historical funded level and the RTF remains in surplus.

The Plan as a whole was fully funded at 102%, the second highest Plan funded level since the 2006 valuation.

The overall Plan funded position has improved significantly since the 2010 valuation and 2020 University contributions were at historical lows.

#### As of 2020, after the change in valuation methods:

The PTF and the Plan as a whole are funded higher than the average results since 2006 and the RTF remains in a surplus position.

#### RTF:

The RTF has been in surplus over all recent valuations. While the 2020 RTF funded % is lower than the average since 2006, this is primarily due to the

granting of pensioner indexing when the RTF is in surplus and meets other conditions as per the Plan terms. Indexing is part of the inherent design of the Plan.