

April 23, 2019

Dear Plan Member,

You will recall that as part of the Pension Reform Agreement dated June 15, 2015 and the Joint Sponsorship Agreement (JSA) dated March 15, 2016, the Government of Newfoundland and Labrador (Government) and the Newfoundland and Labrador Teachers' Association (NLTA) became joint sponsors of the Teachers' Pension Plan (Plan or TPP). The Teachers' Pension Plan Corporation (TPPC or Corporation) was established, on August 31, 2016, as Trustee and Administrator of the Plan. Since the Corporation's inception, the Plan has been overseen by independent, expert Board members who are required to make decisions in the best interest of all beneficiaries of the Plan. In accordance with the JSA, the Plan sponsors each appointed four individuals to the TPPC Board of Directors. This governance structure is key to the Plan's success. The Board has been working diligently to fulfill the terms of the Pension Reform Agreement and JSA.

The Board is pleased to report that a significant milestone was reached during the 2018 Fall sitting of the House of Assembly when Bill 45, an act respecting a pension plan for teachers, was passed. Bill 45 provided for the continued operation of the Corporation, committed Government to continue its special payments to the TPP fund along with regular contributions and outlined Government's obligations to the TPP. On April 15, 2019 the Teachers' Pensions Act, 2018, c.T-4.01 (TPA 2018) was proclaimed and came into force. You can find the TPA 2018 on our website at: www.tppcnl.ca.

Prior to pension reform, the TPP was subject to the Pension Benefits Act (PBA), the provincial act that regulates all pension plans in the Province. Under the terms of the Pension Reform Agreement and JSA, the TPP is no longer subject to the PBA. The primary PBA protections have been replicated in the TPA 2018 or the Plan. Such protections include locking-in and marriage breakdown provisions.

Changes to the Teachers' Pension Plan

These changes to the TPP do not change or impact the amount of pension accrual for active teachers or regular payment of pension to pensioners.

From your perspective as a plan member, the most significant outcome of the enactment of the new TPA 2018 is related to the administrative provisions for the TPP. As required under the JSA, those provisions have been removed from the legislation and are now included in the non-statutory **Newfoundland and Labrador Teachers' Pension Plan Text (the Plan Text)**. The Plan Text is now the official document governing the operations of the TPP and will enable the Corporation to effectively administer the plan on behalf of members. The Plan Text is available on our website at: www.tppcnl.ca.

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The adoption of the Plan Text is positive for both active and retired teachers. The following is a discussion of the key areas where the provisions of both the Plan Text and new TPA 2018 differ from the previous act.

Designation of Beneficiary

Under the former act, a plan member could only name a beneficiary if they did not have a Principal Beneficiary, a dependent child or an other dependent and then only if the named beneficiary was dependent upon the member for financial support. Upon the death of a member with no principal beneficiary, any death benefits would be paid to the plan member's estate, with no option for the benefit to be paid to a named beneficiary. This could potentially have negative financial implications for the member as the member's estate is subject to tax and accountable to creditors. Payments to a designated beneficiary would mitigate these considerations.

Section 7 of the Plan Text now provides that a plan member may designate a beneficiary to receive a benefit payment. As the Corporation moves towards full implementation of this benefit, we will provide a separate communication to all plan members outlining all necessary actions.

Appeal Provision

Under previous administrative practices, if a plan member disagreed with a decision of the administrator with respect to a pension decision, their only option was to appeal that decision through the courts. The Corporation is committed to ensuring that plan members have a fair and efficient structure in place to address their issues regarding the administrative practices, policies and decisions of the Corporation. As a result, Section 18.5 of the Plan Text provides for the establishment of an Appeals Committee. The Appeals Policy is available on the Corporation's website at: www.tppcnl.ca.

Technical Clauses

As you review the new Plan Text, you will also notice several technical clauses that are included as a result of the transition from a statutory to non-statutory Plan Text. These clauses have no impact on the entitlements of plan members.

The various Plan documents are available on the Corporation's website. We routinely provide communications related to the Plan via the Corporation's website in order to increase the efficiency of communication. You may request a paper version of any documents by contacting us.

We would encourage you to review the Plan Text and the TPA 2018. If you have any questions or concerns, please do not hesitate to contact the Corporation by telephone: 709-793-8772 or toll free at 1-833-345-8772; or via e-mail: memberservices@tppcnl.ca.

We would be pleased to assist you.

Yours sincerely,



Paula McDonald,
Chief Executive Officer