



in concert

Helping you understand your pension plan

November 2012

Musicians' Pension Fund of Canada

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Celebrating fifty years!

On April 9, 1962, the AFM-EPW Fund Canada was born, following the establishment of the U.S. fund a short three years before. Fifty years of success in Canada is definitely cause for celebration – a golden anniversary of a first-rate pension plan set up to financially assist musicians in their golden years!

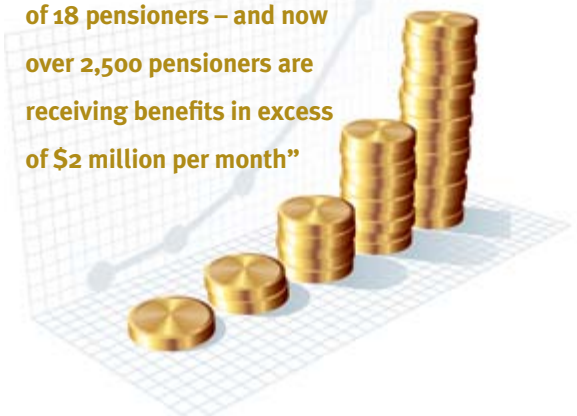


The fund started out with two trustees. In the mid-60s, the originals were replaced, and one of those replacements, J. Alan Wood, went on to be the Chair of the Board of Trustees from 1965 until his death in 2003 – see “In Memoriam” on the following page. Currently, the Board consists of 6 trustees.

The fund started out as a pension benefit provider for members working under the phonograph labour agreement. The Toronto and Montreal symphonies, along with the CBC, came on board in 1963 and 1964. Just imagine that, in 1972, the fund paid a total of 18 pensioners – and now over 2,500 pensioners are receiving benefits in excess of \$2 million per month. From those original 3 contributing employers, the fund now receives contributions from approximately 2,400 employers every year!

In the early 1970s, administration of the fund was transferred from the U.S. to Canada and the current Executive Director, Ellen Versteeg-Lytwyn, was hired. Read more about Ellen on the following page. The office has grown from the original 1 to a staff of 10 busy people, managing all aspects of the operation of the fund with the able assistance of external money managers, custodians, legal professionals, actuaries and other experts.

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The fund has continued to “roll with the times”, making appropriate benefit changes along the way, updating pension administration systems (a new one is currently in the works), focusing on communications through website introduction (in 2004) and other electronic communications, and more recently updating the name of the fund and its logo.

Looking forward to the next 50 years, the fund is facing new challenges with the current economic times and volatile investment markets. The Board of Trustees will, as ever, continue to strive for the long-term sustainability of the fund, and the fund office will be there to provide all of the expert support necessary to achieve that goal.

in concert covers general pension issues and explains how your pension plan works.

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The current Board of Trustees – thanks for the great job!

The current trustees are:

Stanley J. Shortt – Chair (joined Sept. 1990; representing employers) – Stan is a retired senior executive whose corporate associations have included Eaton's, Simpson's, HBC, the TSO and the Toronto Centre for the Performing Arts.

E. Eddy Bayens – Vice-chair (joined Feb. 2004; representing employees) – Eddy is a musician of international repute, and has also taught at the University of Alberta. He has also served on various other music-related boards. Eddy has been a long-time officer of the Edmonton Musicians' Association where he currently holds the position of president and secretary-manager.

David J. Jandrisch – (joined Aug. 1997 to Sept. 2003, reappointed May 2012; representing employees) – Dave's musical career included musical direction of numerous Canadian radio and television productions. Dave served as the VP from Canada for AFM from 1997 to 2003. He also served as Local 190 president for over 25 years.

John G. Sinclair – (joined Dec. 1997; representing employers) – John spent his career as a senior advertising executive. He has sat on a number of different boards as well, specializing in marketing, governance and investment management.

Luc Fortin – (joined June 2009; representing employees) – Luc is a professional musician who has served as president of the Quebec Musicians' Guild for a number of years. He is also a board member of a Quebec venture capital company in the area of culture and communications.



Harold Redekopp – (joined October 2012; representing employers) – our newest trustee, Harold has had a distinguished broadcasting career including vice president of CBC Radio and executive vice president of CBC Television. Harold has also held directorships on the boards of a wide variety of arts organizations in Canada and internationally. Welcome aboard, Harold!

The fund could not operate without the time, expertise and dedication of our excellent Board of Trustees – a big “thank you” is in order!

In Memoriam

The celebration of our 50th would not be complete without mentioning the huge contribution made by our longest-standing trustee, **J. Alan Wood**, who passed away in November 2003.



Starting out as a drummer as a small boy, Mr. Wood went on to become musical director of the Royal Canadian Army Service Corps militia band, performed with a number of orchestras (including the TSO) and served as president of the Toronto Musicians' Association for over 20 years.

Mr. Wood's involvement with the fund spanned close to 40 years and we are forever grateful for his care and oversight of the growth and development of the fund over those many years.



Another Anniversary — Ellen's 40th!

Ellen Versteeg-Lytwyn – an amazing personality and a force to be reckoned with – has driven the fund's administrative ship for 40 years now. This is definitely cause for even more celebration!

In 1972, when she started working for the fund, the office was still a one-person show. Ellen has seen the fund through considerable growth over the years, in

terms of number of members, contributing employers, pensioners and assets, to the group of 10 employees now making up the staff of the fund office. Ellen's personality plus a great deal of care and diligence on her part make for a winning combination for the management of the fund office.

Best thing about her job? Ellen mentions her staff and the professional advisors that contribute to the success of the fund office, but also doesn't forget “the members and pensioners whom

I have come to know – they have made me very fulfilled in this work”. She is also a fan of technology – both for the administration of pension benefits in-house and for personal connectivity – her work is never further away than her “pocket office” (Blackberry).

Ellen notes that there are at least a couple of big challenges currently facing the fund – one is “communications and translating pension talk into musician talk” and the other (which Ellen notes virtually all plans are facing today) is funding of the plan in the face of ongoing market volatility.

One communications issue relates to the fact that members do not always appreciate the “richness” of the plan. “As a group, many want to keep working and are focussed on their music, so the majority don't tend to really think about retirement.”

Looking ahead, Ellen says she is “not going anywhere soon – I am proud to be a Canadian, and a part of this fund that is able to provide such wonderful benefits to our Canadian musicians”.

Congratulations on your 40 successful years with the fund, Ellen!

Regulatory notices

Opting out of Ontario “grow-in” rule

Effective July 1, 2012, the Ontario government introduced a new rule which affects pension plan members whose employment is terminated involuntarily. It's called the “grow-in” rule and it provides for extra benefits to members of certain pension plans whose age plus service totals at least 55 at the date of termination. (The member receives enhanced early retirement benefits provided by the plan even though the member did not meet the age or service requirements for these benefits.)

The purpose of grow-in is to provide these extra benefits to older or long-service members, since they are more likely to face greater difficulties in finding new jobs or acquiring new skills when their employment ends. Recognizing that these extra benefits can be very expensive and may not make sense in the case of a multi-employer pension plan such as ours, the government included a provision to allow such plans to opt out of the “grow-in” rule.

On July 1, 2012, the Board of Trustees applied to the Financial Services Commission of Ontario to opt out of the “grow-in” rule. The reasons are simple – if the plan provides extra benefits for a select group of plan members (i.e., those who are

terminated involuntarily), then it would need to do one of two things:

1. Reduce benefits for all members, or
2. Increase contributions to support the current level of benefits plus the extra cost of the “grow-in” benefits.

Since they felt that neither of these options would be acceptable, the Board agreed that it would be prudent to opt out. As with the SOMEPP exemption (see below), please rest assured that opting out of “grow-in” has no impact on your pension benefit.

SOMEPP exemption update

In the Winter 08/09 edition of our newsletter in concert, we explained that our plan had been designated as a Specified Ontario Multi-Employer Pension Plan (SOMEPP). The Ontario government recently announced that the SOMEPP exemption has been extended to August 31, 2017.

For an explanation of the SOMEPP exemption, please link to the [In concert, Winter 08/09](#) posted on our website.

More information is also available on the News section, www.mpfcanada.ca/news.

Managing market volatility

As Ellen mentioned, ongoing market volatility is a challenge for most plans like ours in Canada and around the world. The job of the Board of Trustees is to pay attention to this through regular monitoring of the marketplace, while continuously focussing on the long-term sustainability of the fund and the generous pension benefits it provides (a balancing act). This is not always an easy job – sometimes difficult decisions must be made.

As you know, the Board of Trustees approved a number of plan changes effective January 1, 2011. The expectation

was that the economy and the marketplace would improve and those changes would be sufficient to protect the long-term health and sustainability of the fund. In addition to economic and market stresses, the Board must also address legislative constraints on the plan and the fund. Volatility continues to hamper the recovery of the financial market. The Trustees are reviewing this situation closely to determine if actions will be required to address the impact of the slow recovery. We will continue to keep you informed.

Governance guidelines finalized



In our February 2012 in concert newsletter, we announced that the governance guidelines for the fund were being updated. We are pleased to announce that the update has been completed. A copy of the revised guidelines is available at the fund office by written request.



About this newsletter

This publication was prepared on behalf of the Trustees of the Musicians' Pension Fund of Canada. It provides summary information about the Fund in plain language. This publication is not intended to provide advice. If there is a discrepancy between this document and the legal documents that govern the Fund, the legal documents will apply. The Trustees expect to maintain the Fund indefinitely. However, they reserve the right to change or cancel any or all benefits under the Fund for active or retired members and their survivors and dependents.