



Report to Members



FINANCIAL HIGHLIGHTS

Contributions from members and employers (\$ million)¹

\$2,993

256,341 active members

977 employers

Funding ratio

105.3%

Net assets (\$ million)

\$77,017

2023 1-year rate of return: 7.7%

5-year annualized return: 7.8%

Net assets available for basic benefits (\$ million)

\$64,277

Pension benefits paid to retired members (\$ million)²

\$2,848

¹ Figures for contributions include amounts from members, employers and transfers into the plan.

² Figures for pension benefits paid include transfers out of the plan.

A MESSAGE FROM YOUR TRUSTEES

Did you know your pension is future-proof?

Whether you are at the beginning of your career or nearing retirement, it can be difficult to predict what the future holds. No matter what life throws at you, one thing you can be certain of is that your pension will be there for you when you need it.

The latest valuation shows that the plan remains fully funded. As we move

forward, we remain aware of current events but focus on the future to keep the fund strong for years to come. Even during uncertain times, the plan is secure and well-governed. We are prepared to continue navigating challenging markets.

This approach served us in 2023 as we saw assets increase from \$71.5 billion to \$77 billion.

How do we keep the plan sustainable?

With plan investments making up about 75 per cent of pensions paid out, we must keep the fund resilient to what lies ahead. Our forward-thinking approach and diversified portfolio prepare the fund for a low-carbon future and changes that may come with the transition to a low-carbon economy.

We are on the path to net zero

As we continue toward net-zero emissions by 2050, we actively seek opportunities that meet return objectives and get us closer to achieving our climate action goal. We make choices that lessen risks associated with climate change impacts. And we support BCI, our investment manager, in its ongoing engagement as it uses its influence to encourage meaningful change in the corporate sector.

By engaging companies that are uniquely positioned to support the transition to a low-carbon economy, BCI can guide business decisions towards actions that align with our net-zero goal.

Along the way, we will make prudent decisions that ensure the long-term sustainability of the pension fund. Most importantly, we will continue to share information about our climate action initiatives so that you can remain informed on our progress.

We make choices that lessen risks associated with climate change impacts.

For more on how the plan is working toward net zero, visit mpp.pensionsbc.ca/our-path-toward-net-zero.

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MEMBERSHIP HIGHLIGHTS

New active members to your plan

29,127

7.0% increase from 2022

Members

446,150

256,341 active

128,903 retired

60,906 inactive³

Ratio of working to retired members

2:1

³ Also includes vested deferred.

All figures are as at December 31, 2023. All highlights in this report are unaudited. The 2023 Annual Report includes audited financial statements and will be posted to the plan website in August 2024.

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PLAN RULE + POLICY CHANGES

Changes affect pensions for separating couples

Effective May 11, 2023

The *Family Law Act* was amended to address societal change and better meet the modern needs of marital separation.

Changes relating to pension division include:

- A personal representative can now request a limited member designation.
- A limited member's access to the commuted value option will be the same as the plan member's access to this option (effective date to be confirmed by government regulation).
- Pension administrators must now deduct the limited member fee payment from a benefit unless the fee has already been paid by the member/former spouse.
- Clarification about the *Family Relations Act to Family Law Act* transitional provisions have been added.

Excess interest return transfers to the inflation adjustment account (IAA)

Effective November 23, 2023

Plan rules were updated to align with changes to the plan's funding policy to eliminate transfers of excess interest from the basic account, which funds your lifetime pension, to the IAA. Historically, the IAA was funded in part through these transfers.

Plan changes in 2021 ensured that future surpluses will be shared equally between the IAA (to further support inflation protection) and the rate stabilization account (to reduce the likelihood of contribution rate increases for active members and employers).

How do we keep the plan sustainable? continued from page 1

Leading the way with responsible investing

The plan invests with your future in mind. That's why responsible investing has been a key part of our strategy for over a decade. Responsible investing means environmental, social and governance factors, such as climate change and gender diversity, are considered as part of the investment decision-making process.

Analyzing these factors as part of the investment process is important to keeping your pension secure and fulfilling our

fiduciary duty. Our duty is to both govern the plan in the best interests of members and invest the pension fund in the best financial interests of members.

For more about the plan's investment strategy, visit mpp.pensionsbc.ca/investments.

“Having my pension has provided me the freedom to do the things I like to do when I want to do them.”

Carol Sonneson,
plan member

