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April 18, 2007

To: Government Management Committee

From: Board of Trustees of the Metropolitan Toronto Pension Plan

Subject: Metropolitan Toronto Pension Plan Report on the Actuarial Valuation for Funding Purposes as at December 31, 2006

Recommendation:

The Board of Trustees of the Metropolitan Toronto Pension Plan recommends to the Government Management Committee that City Council adopt the following recommendation in the Recommendation Section of the report (April 2007) from Anil Narale, Principal, Mercer Human Resource Consulting:

“It is recommended that an increase of 2.01% be granted on pensions, effective January 1, 2007, to pensioners on benefit for more than one year and a proportionate increase of 0.168% for each month of pension payment made in 2006 be granted for pensioners who retired during 2006, for which the total estimated cost is \$11,137,000 on the going-concern basis, or \$11,926,000 on the solvency basis.”

Decision Advice and Other Information:

The Board of Trustees of the Metropolitan Toronto Pension Plan:

- (1) accepted the Report on the Actuarial Valuation for Funding Purposes as at December 31, 2006, from Mercer Human Resource Consulting; and
- (2) requested the Deputy City Manager and Chief Financial Officer to report to the June 11, 2007, meeting of the Government Management Committee on the Metropolitan Toronto Pension Plan Report on the Actuarial Valuation for Funding Purposes as at December 31, 2006.

Background:

The Board of Management of the Metropolitan Toronto Pension Plan on April 18, 2007, considered a communication (April 10, 2007) from Anil Narale, Mercer Human Resource Consulting, forwarding the Metropolitan Toronto Pension Plan Report on the Actuarial Valuation for Funding Purposes as at December 31, 2006 (April 2007).

Anil Narale, Principal, Mercer Human Resource Consulting, gave a presentation to the Board of Trustees on the Actuarial Valuation Report.

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Item 4.12

Sent to: Government Management Committee
Deputy City Manager and Chief Financial Officer

c. Imma Monardo, Manager, Pensions Administration