

# Toronto Fire Department Superannuation and Benefit Fund

Financial Position Updates

March 31, 2020, April 30, 2020 & May 31, 2020

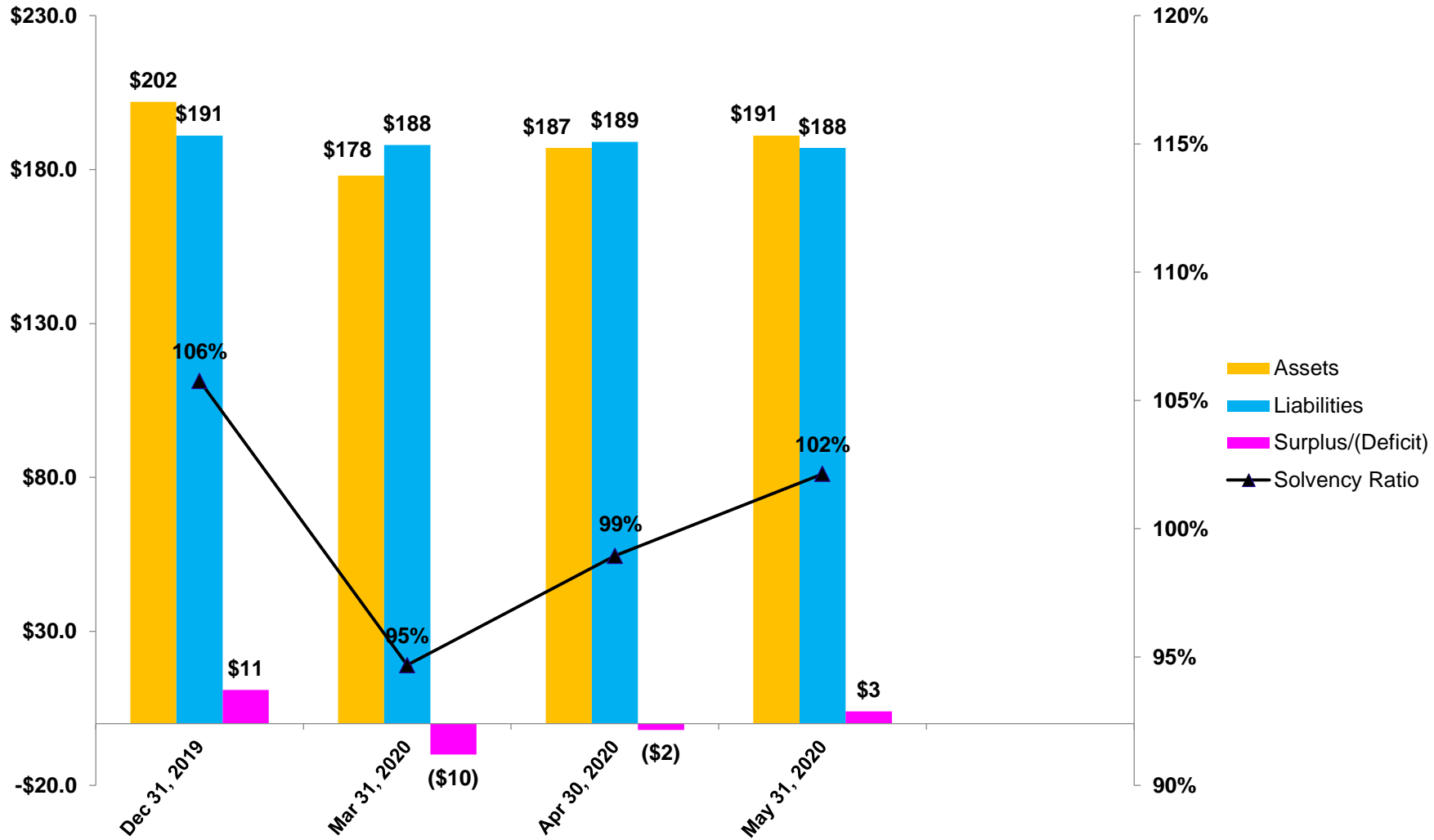
Follow-up to May 26, 2020 Pension Committee Meeting

June 3, 2020



# Summary of solvency position (reflecting COLA of 1.95%)

Figures shown in Millions



# Actuarial opinion

# Actuarial opinion

## Purpose

This material has been prepared for the internal use of the Benefit Fund Committee of the Toronto Fire Department Superannuation and Benefit Fund and the City of Toronto, and presents the financial position as at December 31, 2019, estimated financial position as at March 31, 2020, April 30, 2020 and May 31, 2020 on solvency basis of the Toronto Fire Department Superannuation and Benefit Fund (“the Plan”).

The information contained in this material is not intended nor suitable for other purposes. Further distribution of all or part of this material to other parties or other use of this material is expressly prohibited without Buck’s prior written consent.

## Plan assets and membership data

Plan asset information, as at December 31, 2019, is based on the pension fund statements provided by the City of Toronto. This information has been relied upon by Buck’s tests for reasonableness with respect to contributions, benefit payments and investment income.

The assets information as at March 31, 2020, April 30, 2020 and May 31, 2020 were provided by the City of Toronto and have been used as is without further reasonableness testing with respect to contributions, benefit payments and investment income.

The membership data was provided by City of Toronto as at December 31, 2019. The data have been reviewed for reasonableness and consistency with the previous valuation data; these tests indicate that the data are sufficient and reasonable for the purposes of the valuations. The data has been further adjusted for changes related to death and beneficiaries at each measurement date after December 31, 2019.

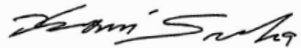
# Actuarial opinion (cont'd)

## Liabilities

The estimated solvency liability as of March 31, 2020, April 30, 2020 and May 31, 2020 were based on the extrapolation from the December 31, 2019 preliminary valuation results, adjusted for change in membership, benefit payments and change in discount rates.

The results in this document have been prepared, and our opinions have been given, in accordance with accepted actuarial practice in Canada.

Buck Canada HR Services Limited



Alfonse Souka, FCIA, FSA



Ajay Sekhon, FCIA, FSA

June 3, 2020

# Appendix

# Detailed Summary of results

## Toronto Fire Department Superannuation and Benefit Fund Estimated Solvency Positions at March 31, 2020, April 30, 2020 and May 31, 2020

Valuation Date	December 31, 2019	December 31, 2019	March 31, 2020	April 30, 2020	May 31, 2020
<b>Membership <sup>(1)</sup></b>					
Pensioners	317	317	316	314	309
Beneficiaries	299	299	293	293	295
Total	616	616	609	607	604
<b>Assumptions</b>					
Discount rate	2.80%	2.80%	2.62% <sup>(2)</sup>	2.40% <sup>(2)</sup>	2.36% <sup>(2)</sup>
Jan 1, 2020 Pension Indexation	No	1.95%	1.95%	1.95%	1.95%
Mortality	CPM 2014 Publ	CPM 2014 Publ	CPM 2014 Publ	CPM 2014 Publ	CPM 2014 Publ
Improvement scale	CPM-B	CPM-B	CPM-B	CPM-B	CPM-B
Size adjustment - M/F	None	None	None	None	None
Percent marriage	Actual spousal data	Actual spousal data	Actual spousal data	Actual spousal data	Actual spousal data
<b>Estimated financial position</b>					
Market value of assets	\$ 202,171,000	\$ 202,171,000	\$ 178,213,000 <sup>(3)</sup>	\$ 187,299,000 <sup>(3)</sup>	\$ 190,746,000 <sup>(3)</sup>
Wind-up expenses	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Solvency liabilities	(187,188,000)	(190,839,000)	(188,283,000) <sup>(4)</sup>	(189,214,000) <sup>(4)</sup>	(187,495,000) <sup>(4)</sup>
Excess / (deficiency)	\$ 14,783,000	\$ 11,132,000	\$ (10,270,000)	\$ (2,115,000)	\$ 3,051,000

### Notes:

<sup>(1)</sup> Reflects pensioners and beneficiaries deaths and any new surviving spouses. Based on information provided by Tracy Lee in email dated June 1, 2020.

<sup>(2)</sup> Based on Preliminary Communication for Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates on or after March 31, 2020 (but no later than December 30, 2020). The plan durations of 7, 7.07 and 7.07 years at Mar 31, April 30 and May 31, 2020, respectively.

<sup>(3)</sup> Provided by Tracy Lee in emails dated May 29, 2020 and June 1, 2020.

<sup>(4)</sup> Liability at December 31, 2019, using new discount rate and adjusted for membership changes up to Valuation Date, is projected forward with interest and benefits payable from Dec 31, 2019 to Valuation Date.

### Disclosures:

This document is intended for the City of Toronto and it should not be shared with others without our consent. Use of this document by anyone other than the plan sponsor may not be appropriate and may result in misleading conclusions because of failure to understand applicable assumptions, methods or inapplicability of the document for that purpose. Please note that we take no responsibility for any actions that may be taken by third parties based upon the contents of this document.

