



BY-LAW AMENDMENT - SCHEDULE D (SUPPLEMENTAL RETIREMENT PLAN)

TO:	Board of Directors Human Resources and Governance Committee (HRGC)
MEETING:	September 29-30, 2015
FROM:	Josée Girard, Vice-President, People and Culture
DECISION SOUGHT:	Approval of Section 15(3) of the Corporate By-Laws and amendments to Schedule D “Supplemental Retirement Plan”
NEXT STEPS:	<ul style="list-style-type: none">• Seek approval from the Minister of Canadian Heritage.• Communicate changes to members of the Supplemental Retirement Plan.
DATE:	September 15, 2015



CONTEXT

- CBC/Radio-Canada sponsors three (3) retirement plans, which are briefly described in Appendix 2:
 - The CBC Pension Plan – Schedule B of the Corporate By-Laws – is a contributory defined benefit pension plan covering the vast majority of employees.
 - The Supplemental Retirement Plan – Schedule D of the By-Laws –
 - The Special Retirement Allowance Program for Corporate Executives – Schedule J of the By-Laws – covering the senior executives.
- The proposed amendments only pertain to the Supplemental Retirement Plan.



CONTEXT

- The Schedule D “Supplemental Retirement Plan” (SRP) provides retirement benefits
- By design, benefits are fully funded (100%) by the Corporation.
- As part of our continuous review of the terms of our pension plans, amendments to the SRP, have been identified.



CONTEXT (CONT'D)

1. Corrections to the text of the SRP:
 - a) Reference corrections to align with the CBC Pension Plan:
 - By-Law Schedule B “CBC Pension Plan” was revised effective July 1, 2011 to simplify the plan text and to merge the Parts I , II and III of the CBC Pension Plan.
 - This revised By-Law was approved by the Board of Directors on April 18, 2012.
 - Further to this revision, the references found in the SRP By-Law to specific sections of the Pension Plan are no longer accurate.
 - The SRP must be amended to refer to the appropriate sections of the CBC Pension Plan.
 - Current administration does, however, align with appropriate sections of the CBC Pension Plan.
 - b) Several editorial changes to simplify and clarify the provisions of the SRP:
 - Such as: replacing “supplementary retirement plan” with “Plan” within the text, specifying that the salary rate used to determine benefits is the “pensionable” salary rate.
 - The changes made to the English and French texts are however not all identical.



CONTEXT (CONT'D)

2. Service recognition under the SRP:
 - a) Service from a former employer:
 - Pensionable service that is transferred from a former employer's pension plan results in a transfer of assets to the CBC Pension Plan.



CONTEXT (CONT'D)

2. Service recognition under the SRP (cont'd):
 - b) Buyback of prior service with the Corporation:
 - Employees can buy back eligible prior service with the Corporation to add to their pensionable service under the CBC Pension Plan by paying the actuarial cost.



KEY DECISION ELEMENTS

s.18(b)
s.21(1)(b)

- Approval required:



KEY BENEFITS, IMPACTS & RISKS

s.18(a)
s.18(b)
s.21(1)(b)

1. Corrections to the text of the SRP:
 - Benefits:
 - Complies with the CBC Pension Plan.
 - Aligns with current administration practice.
 - Impacts: None as already administered properly.
 - Risks: None.

2. Service recognition under the SRP:
 - Benefits: Cost savings to the Corporation.

 - Impacts: Implementation cost of \$5K.
 - Risks:
 - May reduce the Corporation's ability to attract some high-earning executives.
 - May complicate the communication

¹ This estimated saving may vary greatly depending on interest rates, profiles of employees and number of years of service credited



RESOLUTION

- That the Human Resources and Governance Committee recommend to the Board of Directors that, subject to Ministerial approval,
 1. Section 15(3) of the By-Laws be amended as follows:
 - a) by replacing “Schedule D-2003” with “Schedule D”;
 - b) by replacing “annexe D-2003” with “annexe D” in the French version of the By-Laws; and
 - c) by replacing “Régime de retraite complémentaire” with “Régime de retraite supplémentaire” in the French version of the By-Laws.
 2. Schedule D (Supplemental Retirement Plan) of the By-Laws be amended as specified in Appendix 3.



APPENDIX 1 – EXECUTIVE SUMMARY

s.18(b)
s.21(1)(b)

- CBC/Radio-Canada sponsors three (3) retirement plans:
 - The CBC Pension Plan.
 - The Supplemental Retirement Plan (SRP).
 - The Special Retirement Allowance Program for Corporate Executives.
- The proposed amendments only pertain to the SRP.
 - The SRP provides benefits

- Approval required of the following proposed amendments to the SRP:



APPENDIX 1 – EXECUTIVE SUMMARY (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)

■ Rationales for amendments

Proposed amendments	Benefits
	<ul style="list-style-type: none">• Compliance with the CBC Pension Plan.• Alignment with current administration practice.• Simplification and clarification.
	(*) estimated savings could vary greatly



APPENDIX 2 – RETIREMENT PLANS SUMMARY

	CBC Pension Plan (Pensionable salary up to \$159,285 ¹) Schedule B	Supplemental Retirement Plan Schedule D	Special Retirement Allowance Program for Corporate Executives Schedule J
Lifetime Pension Formula	1.3% x pensionable salary up to average YMPE ² x pensionable service plus 2% x pensionable salary above average YMPE x pensionable service		
Cost Sharing	Employee Contributes 43.33% ³ (effective July 1/15)		
Pensionable Salary			
Vesting			
Pensionable Service			
Unreduced Retirement Date			
Earliest Retirement Date			
Bridging Benefits to Age 65	Yes		
Death Benefits			
Indexation			

1- *Income Tax Act* maximum in 2015 is \$159,285

2- Average of the Yearly Maximum Pensionable Earnings (YMPE) for 2015 is \$52,400

3- Sharing will gradually increase to 46.66% (July 1, 2016) and 50% (July 1, 2017)