

TimeWise

A publication of the CSS Pension Plan



A world of experience

The Plan's new Executive Director shares his vision for the future and story of helping co-operatives succeed around the world

CAREER TIMELINE

What you can do at different phases of your life to help your savings grow

2017 ANNUAL MEETING

Low-return environment among topics discussed

On the cover: Martin McInnis (right), Executive Director of the CSS Pension Plan, and Lorri Lochrie (second from right), formerly of Central 1, pictured with the staff of the Coseda SACCO (Co-operative Savings and Credit Society) in Erussi, Uganda.

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The future of *TimeWise*

For many years the CSS Pension Plan has published *TimeWise*, our official magazine, to help keep members informed.

We've traditionally distributed the magazine in print to active members (provided through your employer) and retirees; however, in recent years, we've heard from several stakeholders who would prefer a digital copy instead.

To support cost effectiveness, the environment and the wishes of our members, we are taking steps to reduce our paper footprint and will be distributing future issues of *TimeWise* digitally. Printed copies will still be available on request.

Moving forward, *TimeWise* will primarily be available through our website, www.csspen.com, along with other helpful information and resources to guide members on the road to retirement - and beyond.

Still want *TimeWise* in print?

If you're an employer or retiree and would like to continue receiving printed copies of *TimeWise*, please email: communications@csspen.com.

EMPLOYERS: Please indicate the number of copies you'd like to receive on a regular basis.

Career timeline

Keep track of your account online with myCSSPEN



Visit www.csspen.com to register.

While saving for retirement can be challenging, there are options available to you that may help your savings grow - no matter what your age. While a defined contribution pension plan, like the CSS Pension Plan, can help provide a substantial portion of your retirement income, just how much you end up with at retirement depends on the choices you make with respect to your funds in the Plan and your own personal savings. For more information, visit www.csspen.com or contact a CSS Pension Plan Consultant to discuss your options at css@csspen.com or 1-844-4CSSPEN.



*This information may not be suitable for your circumstances. Consult a CSS Pension Plan Consultant or a qualified financial advisor to help you make choices that are right for you.

The impact of fees

Did you know that over the years, investment fees (MERs) can have a significant impact on the amount of funds available at retirement?

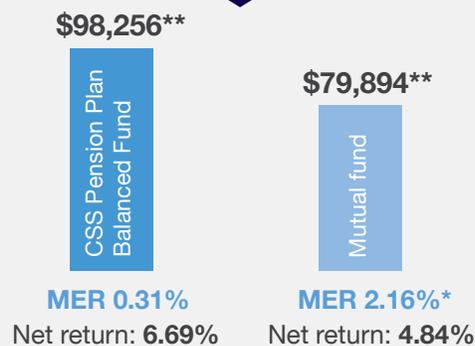
Whether you invest with a pension plan like the CSS Pension Plan or a financial institution, you'll pay fees to cover the cost of the investment management and operating expenses needed to offer the investment funds.

The combined total of these fees is called a *management expense ratio* - or MER - and the returns you earn as an investor reflect the performance of the fund after the MER is deducted.

With the CSS Pension Plan's substantial size, and because we do not have a sales force or distribution costs, we're able to produce MERs that are a fraction of mutual funds.

Using the Plan's Balanced Fund and a median balanced mutual fund as examples, the chart below shows the difference the MER can make over the years in the amount of funds available.

Investment value in 20 years*



Assumptions

- Gross rate of return.....7.0%
- Monthly contributions.....\$200
- Savings over 20 years

*Source: Morningstar Fund Research, 2015
**For illustrative purposes

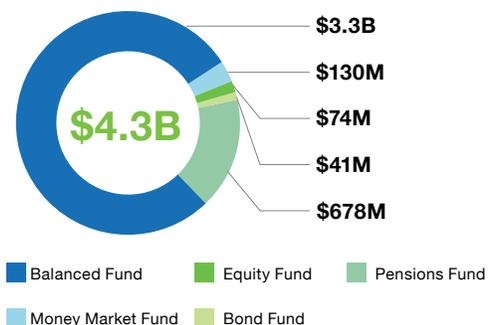
2016 Highlights



Since 1939, we've been helping members plan for and fund one of the largest milestones of their lives - retirement - while offering an important attraction and retention tool for co-operative and credit union employers.

These highlights tell the short-story version of our year at the CSS Pension Plan. For the complete version, view the 2016 Highlights and annual report, *A New Chapter*, at www.csspen.com.

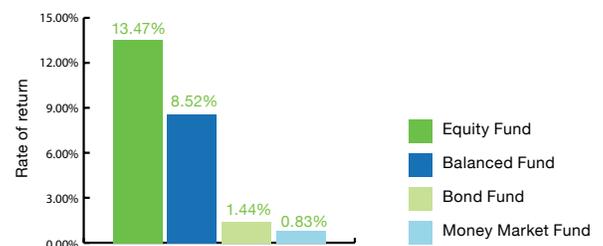
TOTAL ASSETS



FUND MERs



FUND RATES OF RETURN



New RIO workshop format well received

In 2016 we changed the format of our Retirement Income Options (RIO) workshops. The workshops are now held in the evenings during the week rather than on a Saturday morning - and, there is no longer a registration fee charged to attend.

This new format was very well received in 2016. Close to 700 members and 400 spouses attended the 12 workshops.

The topics covered during a RIO workshops include a general overview of CPP and OAS, as well as RRSPs and TFSAs from credit unions and other financial institutions. All of the options for your funds in the CSS Pension Plan are also presented, such as the traditional monthly pension option and the Variable Benefit payment option, along with options available from credit unions and other financial institutions.

Members attending a workshop now have the opportunity to meet with a CSS Pension Plan Consultant the morning following the workshop to discuss various scenarios related to their funds in the Plan.

Six RIO workshops were held in the spring of 2017. RIO workshops for the fall of 2017 are tentatively scheduled as follows:

FALL 2017 RIO WORKSHOP SCHEDULE	
Location	Date
Estevan, SK	Tuesday, October 3, 2017
Regina, SK	Wednesday, October 4, 2017
Dauphin, MB	Tuesday, October 24, 2017
Brandon, MB	Wednesday, October 25, 2017
Swift Current, SK	Tuesday, November 7, 2017
Saskatoon, SK	Tuesday, November 21, 2017

NEW! REGISTER ONLINE

To register for an upcoming RIO workshop near you, visit:
www.csspen.com/forms-and-resources/rio-workshops

Ad hoc pension increases put on hold

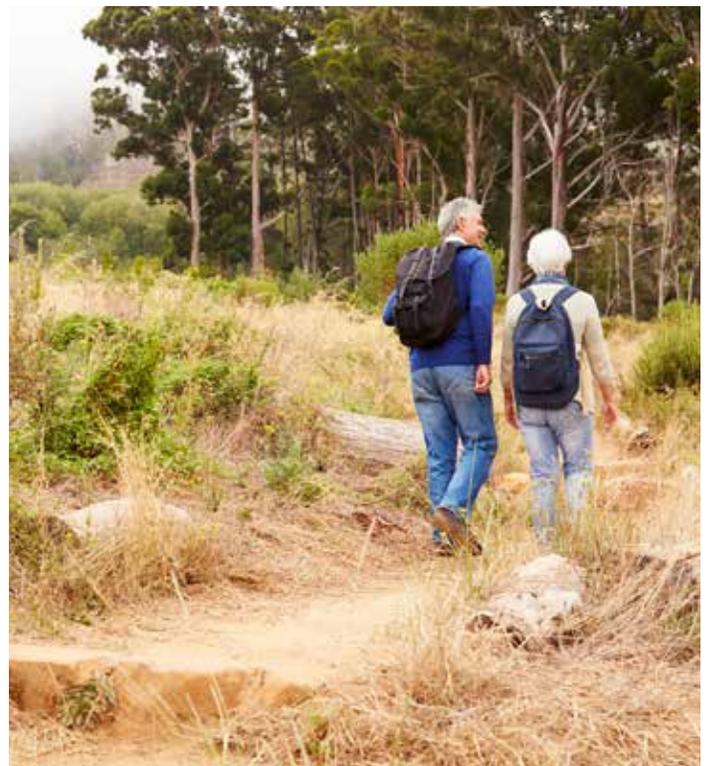
The CSS Board of Directors suspended the ad hoc pension program for 2017 on the advice of the Plan's actuarial consultant, AON Hewitt.

Falling interest rates and rising life expectancies have resulted in much lower ad hoc adjustments since 2007.

In 2016, increases were only 0.45% for pensions reaching their ninth anniversary, 0.30% for pensions reaching their fifteenth anniversary and 0.25% for pensions reaching their twentieth anniversary. This would produce a total increase of 1% over 20 years. If the program had continued in 2017, 575 pensions would have been considered for ad hoc adjustments averaging about \$2.30 per month.

LEARN MORE

For more information about ad hoc increases and the future of the CSS Pension Plan's fixed pension program, visit:
www.csspen.com.





A world of experience

A profile of Martin McInnis

Martin McInnis (second from left) with the Board and management of Coseda SACCO (Co-operative Savings and Credit Society) in Nebbi, Uganda, along with Lorri Lochrie (right), formerly of Central 1. Martin travelled to Uganda in 2014 to assist the developing co-operative as part of a coaching assignment with the Canadian Co-operative Association.

Martin McInnis, the CSS Pension Plan's new – and first – Executive Director, is thrilled to have been selected to lead the organization, and there is no doubt he will do our members proud in his new role.

“I see this transition in leadership at CSS as an evolutionary step – a new chapter, rather than a new story,” Martin says.

“I have inherited some very large shoes indeed, but I’m up to the challenge.”

Martin assumed the role on January 3, 2017 following the retirement of Bill Turnbull, who served members for 18 years as the Plan’s General Manager.

Most recently the Chief Operating Officer for McDougall Gauley LLP – a Saskatchewan-based law firm – Martin’s experience is vast and varied, encompassing elements of finance, accounting, technology, risk management and not-for-profit work.

Over his 30-year career, he’s developed an enthusiasm for co-operative enterprise, making him the ideal candidate to lead the

Plan in the years to come.

Prior to working at McDougall Gauley LLP, Martin spent 10 years working in the Saskatchewan credit union system in finance, technology and risk management starting at Saskatoon Credit Union, which eventually became Affinity Credit Union through various mergers and amalgamations.

“I do have a passion for co-operative enterprise and credit unions. I don’t think I really realized that until I started working for Saskatoon Credit Union,” he recalls. “It was an instant fit with my personal values.”

EARLY CO-OPERATIVE INFLUENCE

Martin was born in Sault Ste. Marie, ON. He still visits the city every summer; today, with wife Lisa, and their kids Evan and Kyle, who both currently attend the University of Saskatchewan.

“My great grandfather homesteaded just

north of the Sault on property situated on the shores of Lake Superior. We are very fortunate to still have the property in the family and try to go back every summer,” says Martin. “We really enjoy taking our kids back there each summer to reconnect with relatives in Ontario.”

In thinking about where his interest in co-operatives and his appreciation for what they can do for people and their communities comes from, Martin attributes it primarily to being a descendant of Cape Breton coal miners.

“My dad grew up in Glace Bay in Cape Breton, and his mom is from Reserve Mines, both coal-mining towns. I guess the passion with which my dad tells the stories about how family and community came together back then to support one another really resonates with me. I learned from dad about the Antigonish Movement, Father Jimmy Tompkins and Father Moses Coady and the work they did to promote education, housing and the first Nova Scotia credit union in Reserve Mines. I’m sure that’s where

“We’re not going to do an about-face and change direction here. We’re still all about our members’ best interests, but we do know the world around us is changing.

those connections to co-op values came from,” says Martin.

Martin also remembers that his mom used to take him and his brothers to the local credit union, even though she worked for one of the chartered banks in Sault Ste. Marie.

“I guess that oddity stuck with me and would eventually contribute to my view of the importance of credit unions,” Martin recalls.

A second significant influence of the Antigonish Movement that has found its way to Martin through his parents was the importance of education. While his mom worked full time, Martin’s dad worked and studied, becoming the first in the family to obtain a university degree.

“Dad chose a career as a registered nurse and later focused on psychiatric nursing. I believe it was the opportunity to serve others that needed help (first in the hospital setting and later in the Correctional Service of Canada) that drew him to his vocation.

“I’m sure it wasn’t easy,” Martin recalls. “My dad spent a lot of time travelling from the Sault to go to Sudbury and other places for the courses he was taking, and working out of town; and mom was working full time. Having kids of my own now, I’m not sure how they managed to find the time and energy to raise me and my two brothers so well!”

Martin says his parents’ decision to have dad go to university entrenched strong views of the importance of education. It also taught him the importance of working together to achieve something

bigger than yourself, and that real happiness comes from serving others.

“At the time, I didn’t understand how all of these influences had affected me, but when I started working at the credit union, it all just fit together,” he said.

MOVING TO THE PRAIRIES

Martin and his family moved to Saskatoon when he was 13, after his dad got a job in the prairie city. After graduating high school a few years later, Martin wasn’t sure what he wanted to do.

“I was confident that I wanted to go to university, but I was still trying to figure out career-wise what the path should look like, so I wound up starting my career at a chartered bank. After about six years there, I had a better sense of what I wanted to do longer term and made the decision to go to university and focus my studies on accounting and computer science. Unfortunately for my wife, this was right after we got married; but, she supported the decision and has stuck with me so I think that’s a good sign,” he laughs.

Martin graduated from the University of Saskatchewan in 1996 with a Bachelor of Commerce (Honours in Computer Science).

Out of university, he obtained his Certified Management Accountant designation – now Chartered Professional Accountant – while working with Deloitte. Martin would later be awarded the fellow distinction (FCPA, FCMA) for his volunteer work with the provincial accounting bodies. Martin chaired the committee responsible

for the implementation of the merger of the Institute of Chartered Accountants of Saskatchewan, the Society of Certified Management Accountants of Saskatchewan and the Certified General Accounts of Saskatchewan into the Institute of Chartered Professional Accountants of Saskatchewan.

With travel a regular facet of Martin’s role at Deloitte, he reached a turning point that would eventually lead him to discover his passion for co-operatives.

“I came home one Friday night and Evan, my oldest son who was about three years old then, was playing with some toy cars in the living room,” Martin remembers. “I walked in the front door and he turned around and saw me, and he said ‘hello Martin.’ That really hit me – maybe I’m not home enough.”

To make the change Martin sought, he accepted a position working as Risk Manager at what is now Affinity Credit Union in Saskatoon. At Affinity, Martin continued his educational pursuits and earned his Chartered Financial Analyst (CFA) designation, along with volunteer experience through the Canadian Co-operative Association (CCA) to assist developing financial co-operatives.

VOLUNTEER EXPERIENCE ABROAD

Though Canada has mature co-operative and credit union systems today, that wasn’t always the case. Many co-operative organizations – including the CSS Pension Plan – trace back to the grassroots movements of the 1930s.

“We have a mature environment here in Canada, and so while you can read the stories about how our systems got started, without actually being involved in them, it’s hard to fathom what is required to get it off the ground,” Martin says.

The notion of “co-operation among co-operatives” is something Martin feels strongly about and is what inspired him to volunteer for a coaching assignment with the CCA that led him on two international excursions.

In 2010, he travelled to Mongolia for two weeks to assist local credit unions in the developing stages. With the help of interpreters, he worked with an urban credit union in the capital city of Ulaanbaatar before heading to a small rural community in northwestern Mongolia.

“They had four staff members at the credit union. It was quite the experience – I’m sure I learned more from them than they did from me, but one of the really big things for me was to see a grassroots financial co-operative getting off the ground, and the engagement and pride the members had in their credit union and what they were accomplishing through it,” he says.

In 2014, he did his second CCA coaching assignment; this time in Uganda. One aspect of this trip that stood out was the entrepreneurial spirit of the members, as well as their intent focus on education – a value shared by Martin.

Many of the members used the credit union to borrow money so they could send their kids to private schools, which were seen to offer better educational opportunities but were more costly than the alternative. The members would borrow money from the financial co-operative, paying it back over a period of time, and then borrow money again for the next phase of school. The members recognized the value of education in providing their children with opportunities to escape poverty, and

the credit union was providing them the opportunity to pursue that goal.

A NEW ADVENTURE WITH CSS

With Martin’s avid appreciation for the value and strength of co-operatives for communities, it’s no surprise he took an interest in the Executive Director position available with the CSS Pension Plan after hearing about it from a friend.

“To be honest, I wasn’t looking for a new opportunity when this one came open,” Martin says. “But the more I got to know about the position, I thought ‘this is where I’m supposed to be.’ I was quite motivated to get involved in the recruitment process and was fortunate to be selected.”

As Martin settles into the role, he sees opportunities to create more services and products for CSS members that suit their needs, and to make CSS more accessible to other co-ops and credit unions in Canada.

“We’re primarily focused in the three prairie provinces, but we know we’ve got a value proposition that would be of interest to a lot more co-ops and credit unions that we currently do not serve. That’s something I want to pursue: making sure that co-operative employers know who we are and what we offer so they can make the choice for their employees, if it makes sense from their perspective, to get involved with CSS. Our size is a significant factor in our ability to deliver value to members, and increasing in size would provide further value to existing members and new ones.”

Martin also views the challenge of engaging young CSS members as a priority. Traditionally, our members tend to take an interest in their pension only when they are close to retirement; but, by engaging members sooner in their careers, they can positively affect their retirement incomes with the benefit of

time on their side.

Work will also continue on several other initiatives already underway, such as advocating for further retirement income options for members.

The fact that the CSS Pension Plan offers members in-house retirement income options is a feature Martin admires. In most defined contribution (DC) pension plans, the only option available to members is to leave the plan at retirement and to purchase a retirement income product elsewhere.

Currently, he is working through a longer-term vision for CSS that will set out the direction for the next five to 10 years.

“We’re not going to do an about-face and change direction here. We’re still all about our members’ best interests, but we do know the world around us is changing, the legislative landscape is changing,” he said, adding that more companies are switching from defined benefit plans to DC plans like the CSS Pension Plan, which is driving regulators and legislators to have a closer look at DC plans to ensure the current regulatory and legislative standards continue to remain relevant and effective.

“With the CSS Pension Plan’s longevity of over 77 years, a rare feature in the DC sector, we’re looking forward to sharing our knowledge and experience at the regulatory and legislative levels with respect to any changes that might be considered.”

Though he may have big shoes to fill, Martin’s expertise and passion for the work of co-operatives and credit unions sets the stage for many more successes for the CSS Pension Plan in the years to come. It is clear that the interests of CSS members are in good hands. ■

2017 ANNUAL MEETING

The Co-operative Superannuation Society's delegates met in Saskatoon on April 5 and 6, 2017 for the delegate seminar and annual meeting. Along with reflecting on the past year's successes and challenges, the expected low-return environment topped the agenda.

DELEGATE SEMINAR

An information session for the delegates was held the evening prior to the annual meeting. Brent Godson, the Plan's Investment Manager, delivered a presentation about the anticipation of a low-return environment in the capital markets, which has existed within the investment community for some time.

Since 2012, we've been making changes to the Balanced Fund (BF) - our default investment fund - in anticipation of future lower returns. But the question remains: do we need to consider further changes? A number of potential options were discussed:

- **'Do nothing / wait and see' approach** - This approach would avoid the risk of potentially making a wrong decision and overreacting. However, it would add the risk of getting left behind if returns are lower going forward.
- **'Take on more risk' approach** - Selling off bonds and investing more in equities may increase the BF's potential return. Adding more risk, however, increases volatility and may not be appropriate for members invested entirely in the BF and are nearing retirement.
- **'Alternative assets' approach** - Investing in alternative asset classes such as real estate, infrastructure emerging debt, global bonds, etc. can offer a higher potential return, but are typically more complex, not as liquid, and come with higher investment management costs compared with typical asset classes such as equities and bonds.

Table-top discussions on the approaches presented revealed that generally all the delegates felt that taking a "wait and see" approach would not be appropriate, but the Plan should investigate options to increase the potential return of the BF. Delegates also felt that in light of an anticipated lower return environment, perhaps members will need to also contribute more towards their retirement and work longer.



Co-operative Superannuation Society Vice-President Jeff Ambrose (left), President Al Meyer (middle) and the CSS Pension Plan's Executive Director Martin McInnis (right) stop for a quick photo while presenting Al with his 10-year service award.



EMPLOYER DELEGATES

Back row from left: *Barrie Davidson (CUC MB), Patty Gifford (CUC MB), Barry Engle (FCL), Angela Pomazon (FCL), Dave Dyck (FCL), Duane DeRosier (FCL), Ryan Anderson (FCL Board), Randy Graham (FCL Board), Brian Guillemain (Concentra), Terry Wallin (FCL), Al Meyer (CUC SK), Corvyn Neufeld (CUC SK)*

Front row from left: *Brad Bauml (FCL), Jim Wightman (FCL), Jennifer Stallard (CUC SK), Shannan Corey (FCL), Laurie Munro (CUC AB)*



EMPLOYEE DELEGATES

Back row from left: *Jim Huggard (Retired), Rand Smale (Non-contributors), Jason Sentes (1st Choice Savings and Credit Union), Mike Moon (Central Plains Co-op), Greg Sarvis (Riverbend Co-op), Audrey Wilkinson (Concentra), Darren Heide (Access Credit Union), Jason Schenn (Borderland Co-op), Michael McCann (FCL Saskatoon), Jeff Ambrose (Calgary Co-op), Guy Martin (Accent Credit Union), Ron Inkster (Goodsoil Credit Union)*

Front row from left: *Anthony Zulyniak (FCL Winnipeg), Murray Dehn (Red River Co-op), C.A. Hatlelid (CUDG SK), Carol Rollheiser (Wild Rose Co-op), Mike Gartner (Retired)*

EMPLOYEE DIRECTOR ELECTIONS

- **Jeff Ambrose, Calgary Co-op, Calgary, AB**
 - Re-elected to the Board by acclamation
 - Three-year term

- **Jason Sentes, 1st Choice Savings and Credit Union, Lethbridge, AB**
 - Elected to the Board by acclamation
 - One-year term (Jason fulfills the remainder of Celeste Labrecque’s three-year term following her retirement)

EMPLOYER DIRECTOR ELECTIONS

- **Brad Bauml, Federated Co-operatives Limited, Saskatoon, SK**
 - Elected to the Board by acclamation
 - Three-year term

- **Shannan Corey, Federated Co-operatives Limited, Saskatoon, SK**
 - Elected to the Board by acclamation
 - Two-year term (Shannan fulfills the remainder of Randy Boyer’s three-year term following his retirement)

Four director elections were held at the annual meeting: two employee director elections and two employer director elections. At the Board re-organization meeting held after the annual meeting, Al Meyer was re-elected President and Jeff Ambrose was re-elected Vice-President.



SERVICE AWARDS

Five-year service awards

- Dave Dyck, employer delegate
- Rand Smale, employee delegate
- Alex Hoffman, CSS staff (Programmer Analyst)

10-year service award

- Al Meyer, employer delegate

20-year service awards

- Coleen Berge, CSS staff (Pension Plan Consultant)
- Brent Godson, CSS staff (Investment Manager)

2017-18 BOARD OF DIRECTORS

- **Al Meyer, President**
Prairie Centre Credit Union
- **Jeff Ambrose, Vice-President**
Calgary Co-operative Association
- **Brad Bauml, Director**
Federated Co-operatives Limited
- **Shannan Corey, Director**
Federated Co-operatives Limited
- **Jim Huggard, Director**
Retired
- **Jason Sentes, Director**
1st Choice Savings and Credit Union

DELEGATE Q&A

The CSS Pension Plan is unique in the pension industry, because we're democratically governed (by the Co-operative Superannuation Society). This means that through the Society's delegates, employer and employee members have a voice to help shape our future.

We asked our delegates why they considered becoming a delegate and what the experience has been like. As a Plan member, you too could consider becoming a delegate!



Darren Heide, Access Credit Union
Employee delegate

Q: You've been an employee delegate for four years. What inspired you to take on the role?

A: "I work in HR, and I have a passion for people and seeing them succeed. I love the reputation the CSS Pension Plan has and wanted to make a positive impact. Educating millennials is something that is important to me, and I want to try and help them realize the value of the CSS Pension Plan."



Rand Smale
Delegate for inactive members

Q: As our inactive member delegate, you represent over 17,000 CSS members who no longer work for an employer member but still hold funds in the Plan. What made you decide to stay in the CSS Pension Plan, even though you could have moved your money elsewhere?

A: "I left the co-op system in 1999. I looked around and couldn't find another option that offered the investment choice and management of the CSS Pension Plan. I couldn't find a better place to put it. I eventually put my name forward to represent the 'silent' portion of our membership."



Audrey Wilkinson, Concentra
Employee delegate

Q: You are one of our longest-serving delegates with over 13 years experience. What has the experience of being a delegate been like for you?

A: "I really enjoy representing the CSS Pension Plan to my colleagues throughout the co-operative system in Manitoba and am equally proud to represent the voice of Manitoba/Eastern Canada Plan members at the delegate table. Our Plan members hold the CSS in the highest esteem, and it is an honour to be associated with an entity that is so highly respected."



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