



telecommunication workers pension plan

2008 REPORT TO MEMBERS

THE PENSION PLAN

The Telecommunication Workers Pension Plan (TWPP) is a Defined Benefit Plan. A Defined Benefit Plan is a career average plan that specifies the formula for determination of benefit entitlements and members are provided a “defined” amount of pension. The defined amount of pension provided by the TWPP is based on a formula of 1.75% of gross earnings. On an annual basis, at the Trustees discretion and taking into consideration the Plan’s financial performance approve Annual Earnings updates to average earnings in the previous 3-years. The formula for the “update” is 1.75% x Average Earnings x years of Credited Service. The member’s pension entitlement is based on the greater of the amounts before and after the update.

The cost of this type of plan is determined on an actuarial basis, as the total amount of money required to provide the given level of benefits for all members of the plan. Currently the Employer contribution rate is 10% of gross earnings and the Employees contribution rate ranges from 3% to 6% of gross earnings, depending on the age of the member.

AUDITED FINANCIAL STATEMENT

The following is a summary of net assets available for benefits at December 31, 2007. The complete Audited Financial Report is available for viewing at the Pension Administration office.

	2007	2006
Assets		
Investments	\$3,193,818	3,162,713
Receivables		
Employers’ contributions	17,501	15,311
Employees’ contributions	1,914	2,027
Other	2,282	571
	21,697	17,909

Cash	10,534	15,386
Total Assets	3,226,049	3,196,008
Liabilities		
Accounts Payable	710	750
Terminations Payable	383	554
Death Benefits Payable	86	31
Voluntary Contributions	0	32
Total Liabilities	1,179	1,367
Net Assets Available for Benefits	*3,224,870	*3,194,641

*(in thousands of dollars)

ASSET ALLOCATION AT SEPTEMBER 30, 2008

The following table is a breakdown of the current asset allocations within each asset class.

	Percentage of Total
Real Estate	16.3%
Fixed Income	
▪ Bonds	61.7%
▪ Mortgage Fund One	4.7%
▪ Mortgage Fund Two	5.2%
▪ Debenture Fund One	1.1%
▪ Individual Canadian Mortgages	3.5%
Equities	0.6%
NEIT IV	
▪ Hedge Funds	4.6%
▪ Cash and other	2.0%
VanCity Credit Union - GIC	0.4%
Cash*	0.0%
Total Asset	100%

* Cash includes short-term notes of less than one year.

The TWPP adopted an investment strategy, which matches the assets and liabilities of the Plan in terms of duration and cash flow. Consequently, the Plan's investments are in assets, which have continued to provide excellent protection for the benefits promised by the Plan. Most of the Plan's assets are in fixed income investments, such as Canadian and Provincial Government bonds, high quality corporate bonds and mortgages. The Plan also has investments in income producing real estate, such as Concert Properties,

hedge funds and equities. The Plan's exposure to equities is very small at less than 1% of the total portfolio.

The Plan's investment strategy is designed to ensure that the Plan's benefits can be provided with a high degree of certainty. Annual actuarial valuations and asset / liability modeling analyses are performed to determine if adjustments to the investment strategy are required. In between annual reviews, the Plan's professional advisors monitor the performance of the assets, and provide regular updates to the Board of Trustees. This ensures that the Plan continues to meet its goals and provides the level of pension benefits reported to the Plan members annually.

ACTUARIAL VALUATION AS OF JANUARY 1, 2008

The Actuarial Valuation as of January 1, 2008 shows that the Plan continues to be soundly funded. The Plan is well positioned to provide the benefits accrued to date and those expected to accrue in the future.

The assets at the valuation date exceeded the liabilities for benefits accrued to date by about \$634 million. The excess is based on various assumptions and forecasts, which by their nature are forward looking and may prove to be inaccurate. Plan members should be mindful not to place undue reliance on such statements as a number of factors could cause the excess to vary significantly. In addition while this excess is substantial, it is needed to help provide for:

- (i) the benefits that will accrue in the future to active members; and
- (ii) the annual update of benefits for active members, so that members retiring and leaving the Plan receive a benefit based on earnings immediately before retirement or leaving the Plan.

Any remaining excess will be used to provide a contingency reserve for unanticipated events, such as investments performing worse than expected, and for other Plan improvements as may be determined by the Trustees. These might include benefit increases for retired members such as the increase provided as of July 1, 2007.

A complete copy of the Actuarial Report can be found on the TWPP website at www.twplans.com.

STATISTICAL INFORMATION

The following statistics are based on membership data as of January 1, 2008.

	Males	Females	Total
Active Participants	3069	2026	5095
Average Age of Active Participants	46.5	45.6	
Disabled Participants	126	237	363

Retired Participants			5778
Survivors (Spouse of Deceased Participant)			379
Beneficiary (non-spouse of Deceased Participant)			15
Term-vested Participants *	578	1777	2355
Transferred to Management	261	256	517

*Term-vested participant is a terminated member who elected to remain as a participant of the Plan and retire at a later date.

THE TRUSTEES

The current Trustees of the Plan are:

Company Trustees

Rob Gardner

Rob Beynon

Garnet Andrews

Michel Belec

Union Trustees

Sherryl Anderson

Carol Nagy

George Doubt

Lee Riggs

The Trustees are responsible for the overall operation of the Plan. Some of the key responsibilities include adopting an Investment Policy and funding strategies, Plan Document and Trust Agreement amendments, Plan design and improvements, review actuarial reports, appoint and review advisors, consultants, service providers etc., review fund performance, approve payments and Plan communications.

WHO TO CONTACT FOR INFORMATION

If you have any questions about your retirement benefits or need to change any information concerning your pension payment, please contact any of the following staff members who would be pleased to help you.

	Contact Name	Phone Number	Email address
Active Members with Surname from A to K	Grace Jones	604-412-2409	grace.jones@twplans.com
Active Members with Surname from L to Z	Anne Tamboline	604-412-2414	anne.tamboline@twplans.com
Retired Members - Payments	Jane Olsen	604-412-2408	jane.olsen@twplans.com
Plan Administrator	Debbie Ellis	604-412-2444	debbie.ellis@twplans.com

If you would like more information regarding your benefits with the TW Pension Plan please log onto our website at www.twplans.com where you will find booklets, important notices, forms to download, etc.