



FIAT CHRYSLER AUTOMOBILES



# Retirement & Savings Information Session

**CCRetirees Organization  
FCA Canada Salaried NBU Retirees**

**October, 2019**

# Pension Department

## ▶ Retirement and Savings Staff

- Scott Linnell – Head of Retirement & Savings Canada
  - Angela Cervi-Hanes – pension plan administrator
  - Danielle Antonucci – pension plan administrator
  - Kristen Walton – pension plan administrator
  - Gabrielle Miletic – pension plan administrator

# Pension Department Contact

- ▶ Phone: 1-800-304-5123; Press prompt #6
- ▶ Local: 519-973-2031
- ▶ Fax: 519-561-7043



# Administration Project – December 1st

A navigation menu for the BUCK website. It includes the BUCK logo, a dropdown menu for "ABOUT", and links for "EXPERTISE", "INSIGHTS", "CONTACT", "JOBS", a search icon, and a language selector for "Canada (En)".

**BUCK** ABOUT ↓ EXPERTISE ↓ INSIGHTS ↓ CONTACT JOBS 🔍 🌐 Canada (En) ↓

A circular icon with a blue arrow pointing right, representing consulting.

### Consulting

We look at your needs across the health, wealth, and career spectrum informing and consulting with industry-leading knowledge and innovation.

An icon of two interlocking gears, one black and one purple, representing administration.

### Administration

We work with you to implement benefits administration services for workplace health and retirement plans while recognizing your budget, strategy, and communications needs.

An icon of three stylized human figures with a colorful sphere above them, representing technology.

### Technology

We develop innovative ways to engage your employees, from predictive analytics and behavioral economics, to social media and ethnographic studies.

# Administration Project – December 1st



- ▶ Shore up legal exposure
- ▶ Recorded calls
- ▶ Imaging Department
- ▶ Compliance Department
- ▶ New infrastructure with web services for both active members and retiree portal



# Administration Project – December 1st

- ▶ Communication / Education
- ▶ Audits
- ▶ Key Performance Indicator Tracking / Vendor Management
- ▶ Escalations
- ▶ Projects



# FCA Canada Inc. Pension Plan Statistics

Salaried Plan (as at January 1, 2019)

- ❖ Market Value of Assets (SERP) \$831 M
- ❖ Market Value of Assets (SRP) \$82 M
  
- ❖ Average Monthly Payout SERP \$3.9M
- ❖ Average Monthly Payout SRP \$214K
  
- ❖ Current Plan Funding Status
  - Going Concern Basis 112 %
  - Solvency Basis 93.6%



# FCA Canada Inc. Pension Plan Statistics

as at January 1, 2019



SALARIED PLAN – PARTICIPANT STATISTICS	01-01-2019	01-01-2018
<b>Pensioners</b>		
Number (Basic Plan)	1,483	1,501
Total annual lifetime basic pension	\$24.6 M	\$24.9 M
Total annual temporary pension	\$1.78M	\$1.76
Average Age	75.0	74.8
Number (Contributory)	1,460	1,482
Total annual contributory pension	\$12.44M	\$12.49M



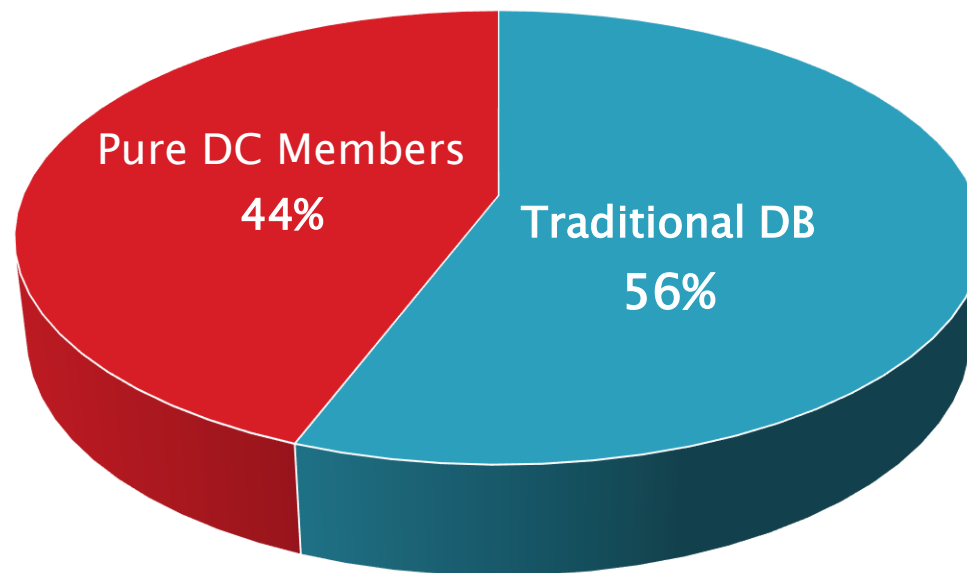
# FCA Canada Inc. Pension Plan Statistics

as at January 1, 2019



SALARIED PLAN – PARTICIPANT STATISTICS	01-01-2019	01-01-2018
<b>Surviving Spouses &amp; Beneficiaries</b>		
Number (Basic Plan)	391	395
Total annual lifetime basic pension	\$3.36 M	\$3.28 M
Average Age	81.8	81.6
Number (Contributory)	389	411
Total annual contributory pension	\$1.42 M	\$1.41 M

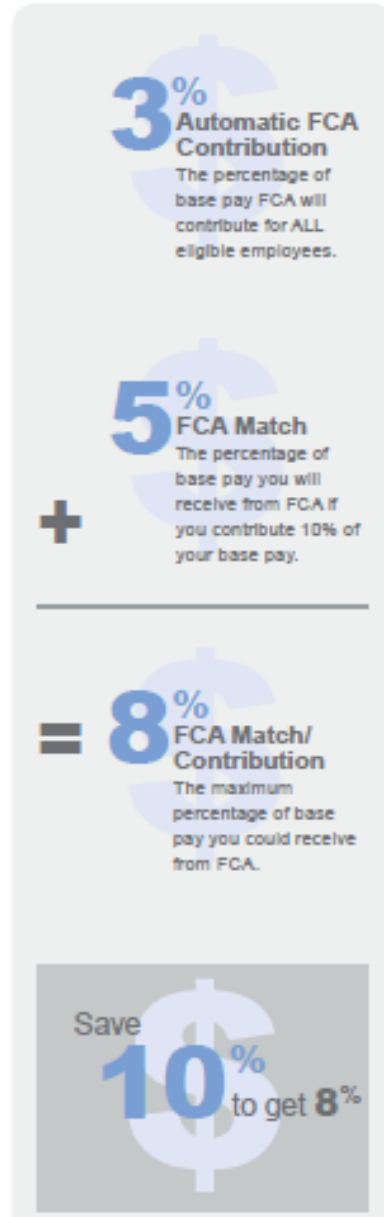
## NBU Active Employees



■ Traditional DB ■ Pure DC Members

# Formula for current Retirement Savings/Match Plan

- ❖ DB service was frozen as of 12-31-2014; closed to new entrants 01-01-2013
- ❖ 3% Automatic Company contribution to employee's RPP account
- ❖ Employee saves % to RRSP and receives Company match (match dollars directed to RPP \*\*exception – Quebec
- ❖ (\$0.50 Company match on each dollar up to a 10% savings)
- ❖ 73.84% participation in the savings/match component (July 2019)
- ❖ 8.68% is the average savings rate of those participating (July 2019)



# FCA Canada Inc. Pension Plan Statistics

as at January 1, 2019

## Age / Service Forecasted to 12-31-2019 for Traditional NBU members

NBU	30&Out	55&10	85 Points	Normal
Traditional Retirement Eligibility Categories	30 yrs Eligibility Service	At least age 55 with at least 10 years eligibility service	Age + eligibility service = 85 points or more	Age 65 regardless of eligibility service
	74	54	10	15

**Total 153**

### ▶ Age 71

- Must begin collecting their pension by the end of the calendar year they turn 71
- No further contributions to any registered plans

# Pension Processes

## ▶ Death of Retiree

- Death must be reported to Benefits Link 1-877-854-5465
- Each department at FCA Canada will send out the required paperwork (life insurance package separate from pension package)
- Spouse at time of retirement is eligible for surviving spouse pension (unless waived) if election was made at time of retirement
- Original death certificate will be required for each package (life insurance / pension)

# Pension Processes

## ▶ Death of Surviving Spouse

- Death must be reported to Benefits Link 1-877-854-5465
- Package will be sent out from the Pension Dept requesting death certificate
- Pension will be re-calculated with Surviving Spouse cost removed
- Surviving Spouse Benefit is not transferrable to a new spouse.

# Pension Processes

- ▶ Re-election of Surviving Spouse Benefit
  - No spouse at time of retirement
  - Spouse at time of retirement has deceased
  
- ▶ Need to make application directly with the pension department (519-973-2031) prior to:
  - 1 (one) year from date of marriage
  - 2 (two) years from the day you start living together “common-law”
  - Marriage certificate or common-law affidavit will be required
  - Surviving Spouse cost will be calculated based on spouse’s date of birth and your lifetime pension benefit



# CIBC MELLON

- ▶ Notify CIBC Mellon:
  - change of address
  - bank account change
  - tax items / T4A related items
  
- ▶ CIBC Mellon contact information:
  - From Canada Toll free: 1-800-565-0479
  - From USA Toll free: 1-800-263-4497
  - Fax: 519-873-2218
  
- ▶ Look for changes in 2020 regarding on-line viewing capabilities

# Inactive Pension Statements

- New requirement (2017) under Pension Benefits Act (PBA)
- Requires Plan Administrators to provide information statements to all former and retired members of a pension plan at minimum every two years.
- First statement was due to members no later than July 1, 2017
- Members include:
  - Retired members (not including surviving spouses)
  - Deferred vested members
    - Members in pay
    - Members not in pay

# Inactive Pension Statements

## Challenges

- Outdated addresses
- Spouses' name not on file
- Retiree wanting to remove a spouse from pension

## Biennial requirement

- Next statements due July 1, 2021



FIAT CHRYSLER AUTOMOBILES

# Your Annual Pension Statement (Statement Period: 2016)

FCA CANADA INC. SALARIED EMPLOYEES' RETIREMENT PLAN  
Registration Number 0337774 (Ontario)

Prepared for:

### PERSONAL DATA

Employee Number:

Date of Birth:

April 26, '61

Pension Start Date:

May 1, 2010

Spouse's Name:

### RETIREMENT BENEFIT

Monthly pension paid in Joint and Survivor form:

Payable from the Plan:

Basic Pension, J&S 66 2/3%

\$764.95

Bridge Pension to May 31, 2020\*

~~\$212.38~~

Contributory Pension, J&S 66 2/3%

\$197.38

Total Monthly Pension:

\$1,174.69

\*Where applicable Bridge benefits/ITA may cease at age 65.

## BENEFIT INFORMATION

### Post-Retirement Death Benefit

If you are receiving your pension in a Joint and Survivor form, your spouse will receive a survivor pension following your death. The amount of the survivor pension will be based upon the percentage you elected when you commenced your pension. Your surviving spouse benefit upon your death is **\$641.58**.

### Indexation

Pensions in payment may be indexed from time to time at the discretion of the Company. Historical indexation does not imply that all future pension payments will be indexed.

## PREVIOUS PENSION DIVISION OR SEIZURE

The amounts shown in this Statement take into account any previous division of your pension benefits at source due to marriage breakdown and/or any previous seizure of a portion of your pension benefits.

## ADDITIONAL INFORMATION

### Financial Information

#### ***Plan Solvency***

The financial condition of the FCA Canada Inc. Salaried Employees' Retirement Plan is reviewed periodically to determine whether or not the Plan's assets are sufficient to meet all pension commitments to Plan members and beneficiaries. The last actuarial valuation of the Plan was conducted as at January 1, 2018. Based on that valuation, the transfer ratio of the Plan (i.e., the ratio of the available assets over the termination liabilities) is 93.3%. A preliminary estimate revealed that the transfer ratio is 89.6% as at January 1, 2019. FCA Canada Inc. is making necessary contributions to the Plan as required by applicable pension legislation. The Company has full rights to surplus that may arise in the Plan while the Plan continues or upon Plan termination, as specified in the Pension Plan Document.

#### ***Contributions***

During 2018, total employer and employee contributions under the Plan were \$1,804,000 and \$0 respectively.

# Retiree Information of Note

- ▶ Oldest Retiree:  
**101 years young**
- ▶ Oldest Surviving Spouse:  
**102 years young**
- ▶ Retiree with the most service:  
**46.1 years**
- ▶ Longest Retired Retiree:  
**44 years in pay and continuing**

