



**Bell Pensioners' Group**

Together, Protecting our Pensions and Benefits since 1995

**BELL CANADA  
PENSION PLAN UPDATE  
BPG AGM 2023**



**2021 HIGHLIGHTS** (Latest data published by Bell PIC Committee in the Fall of 2022)

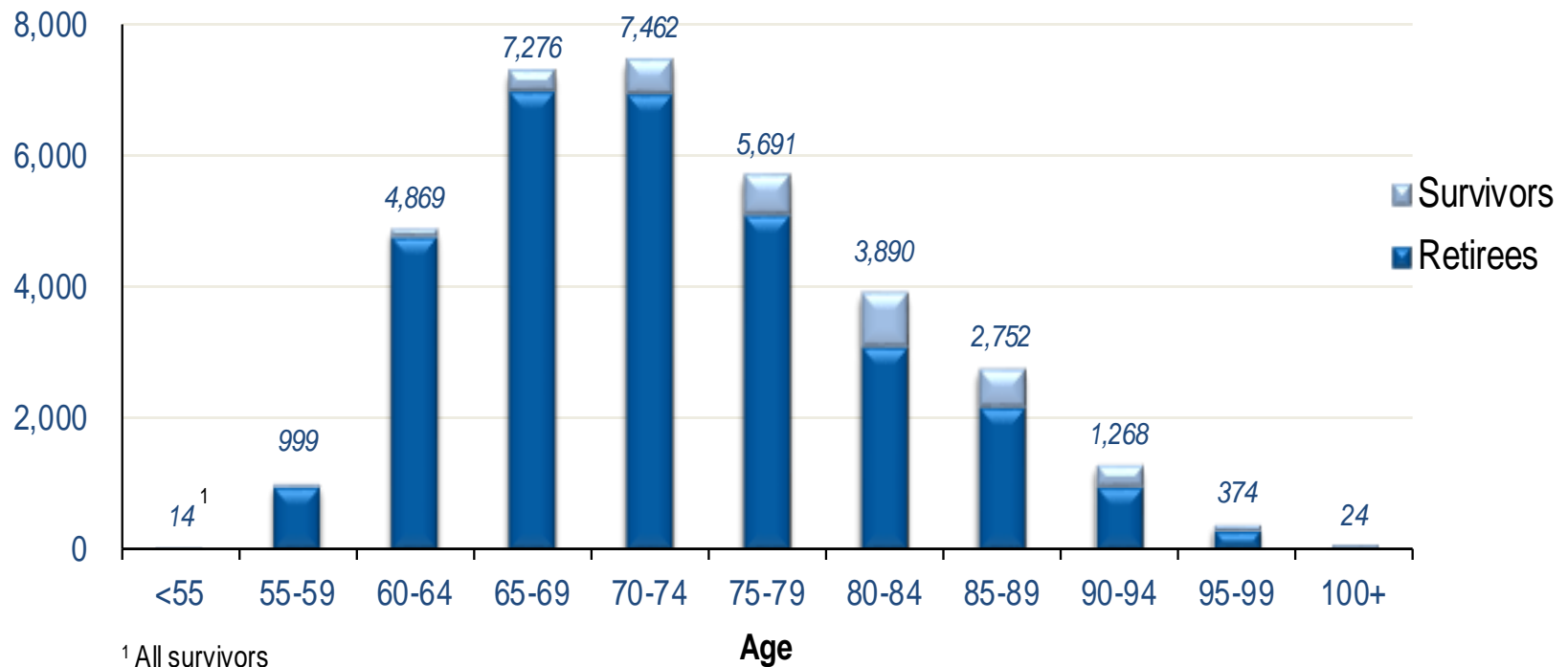
- At the end of 2021, the Pension Plan was fully funded
  - with a ratio of 112.2% on a solvency basis (assuming termination of the plan)
  - and a ratio of 129.3% on a going-concern basis (assuming continuity of the plan)
- With the solvency ratio above 105% Bell can stop contributing to the Plan starting in 2022
- In 2021, Bell contributed \$ 98 million to cover an additional year of service for the 7,761 active employees in the Plan



## 2021 HIGHLIGHTS (Cont'd)

**Age distribution**  
(extracted from 2022 PIC report)

**34 619 beneficiaries in total**  
**265 more than previous year (net of deceased)**  
**1 008 new retirees (avg age 61.7; avg service 35.4)**  
**Avg age of retirees 73.1 ; 79.7 for survivors**  
**Age 75 & over going up & reaching 40.4% of total**





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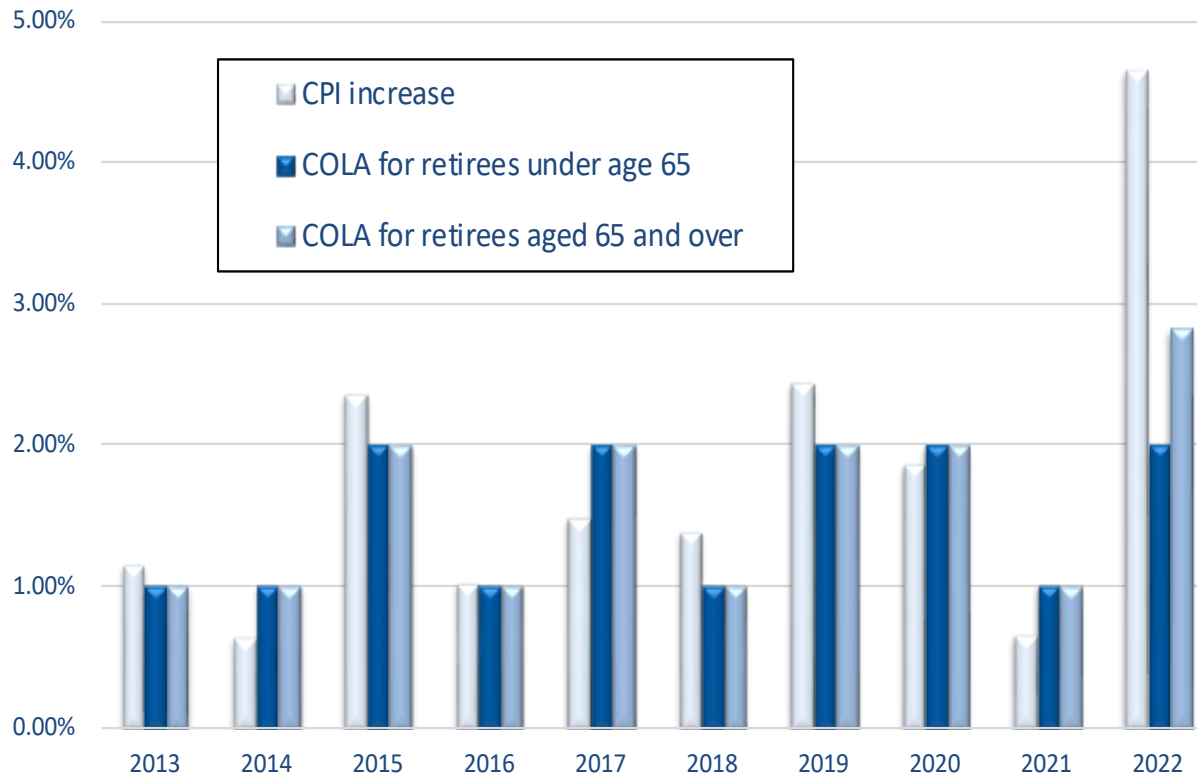
## 2021 HIGHLIGHTS (Cont'd)

- Assets totalled \$18.6 billion for a yearly return of 5.2% (compared to 7.9% yearly avg on a 10-year period)
- Future liabilities accounted for the impact of the 2017 class action lawsuit
- The total pensions paid amounted to \$802 million, similar to previous years, for a monthly average pension of \$1 931 (survivors included)
- Inflation started ramping up in 2021, to reach 4.7% at the end of October as the benchmark for the 2022 pension indexation



## 2021 HIGHLIGHTS (Cont'd)

### Cost of living adjustments over the last 10 years (extracted from 2022 PIC report)



As at Jan 1<sup>st</sup> 2022, the compounded cost-of-living adj. over 10 years totalled 17% (an average of 1.6% per year), representing 86 % of inflation



## **2022 UPDATE** (2022 PIC data to be published in the Fall of 2023)

- Market conditions deteriorated in 2022, inflation continued to ramp up and interest rates progressively increased
- While the pension plan assets declined by approx. 15% due to volatile market conditions, future liabilities have also decreased due to higher interest rates
- Actuarial valuations are most affected by discount rates - with a change of 25 basis points (1/4 %), liabilities could vary by +/- \$ 600 million
- According to Bell, the Plan solvency improved to reach approx. 119% at the end of 2022, from 112.2% in 2021



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## 2022 UPDATE (Cont'd)

- Given that the solvency ratio was above 105%, Bell exercised its legal option to stop contributing to the Plan starting May 2022
- According to Bell, the contribution holiday represented a cash saving of \$ 145 million for 2022 at the BCE level (\$230 million full-year saving estimated for 2023)
- The solvency ratio must remain above 105% for Bell to maintain contribution holidays
- The 2023 PIC report edition with final 2022 data will be available to the pensioners in the Fall on BPG and Bell Benefits websites



## **2023 SITUATION** (pending review with Bell at next PIC meeting this Fall)

- According to Mercer, the median solvency ratio of Canadian DB pension plans rose to 116% at the end of the 1st quarter 2023 and 83% of the 463 plans tracked are estimated to be fully funded
- The Bell Pension plan solvency ratio is above 115% year-to-date
- The economy remains however uncertain and markets swings are still inevitable
- The current investment policy and governance has protected the Plan against market volatility thus far, while Bell continues to focus on de-risking strategies
- A Pension Plan update for the year 2023 will be provided in BPG Fall Newsletter





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**THANK YOU!**