

TimeWise

A PUBLICATION OF THE CSS PENSION PLAN

A look at recent performance

and what might be
ahead of us.

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What type of CSS member are you?

Discover key resources to help you make the most of your membership with CSS - from hire to retire and beyond.

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Saving for retirement when you're young

Why Leigh McDonald decided to make saving for retirement a priority in his 30s.

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How we are continuing to support our members and staff under the throes of the pandemic.

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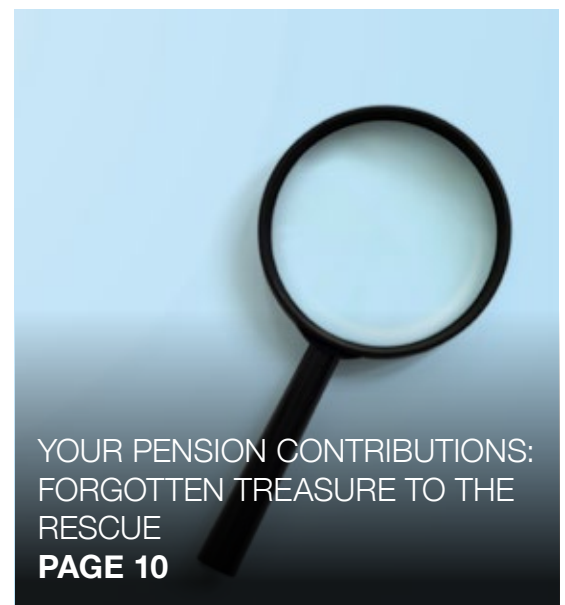
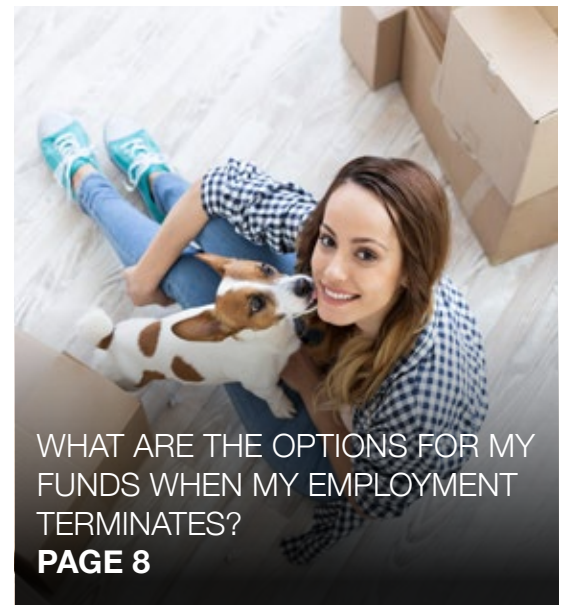
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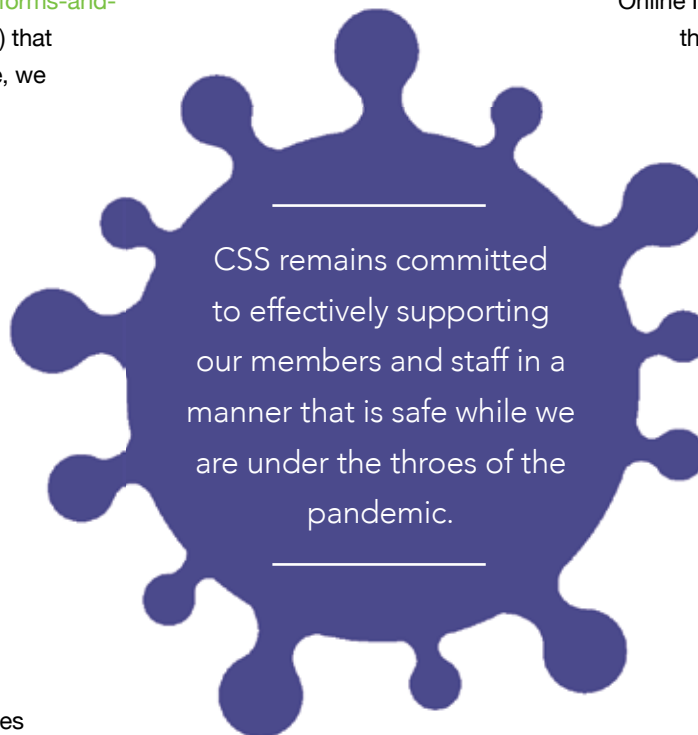
COVID-19 UPDATE



CSS remains committed to effectively supporting our members and staff in a manner that is safe while we are under the throes of the pandemic.


Since the release of the Spring/Summer 2020 edition of *TimeWise* (www.csspen.com/forms-and-resources/publications/timewise) that detailed our COVID-19 response, we have done the following:

- Hosted a webinar on investment and retirement considerations in light of the pandemic. Over 700 members attended the webinar, and the recorded presentation has been accessed over 650 times on our website (<https://www.csspen.com/forms-and-resources/videos/retirement-income-and-investment-considerations>).
- Partially re-opened our offices for appointments only. Members needing to meet in person with a Pension Plan Consultant (PPC) can now contact us to book an appointment. Our office remains otherwise closed until further notice to all other external visits.
- We are currently re-developing our Retirement Income Options (RIO) workshop for digital delivery this fall. Visit the RIO workshop page of our website for more information on this (www.csspen.com/forms-and-resources/rio-workshops).



- Delivered employer information sessions throughout the summer and fall via webinar. In the past, these sessions were delivered in person.
- Continued our digitization journey. We launched the Online Investment Instructions form earlier this year, which gives members the ability to change their CSS investment allocation on myCSSPEN. We also updated the employer upload area on myCSSPEN for employers in summer. Watch for more announcements as we implement more in the digital sphere in the months ahead.
- Normally, CSS delegates travel to Saskatoon in late spring for the CSS annual meeting. As you can imagine, this year was different – the annual meeting was held by written resolution and an information session was provided by webinar to CSS delegates.

We continue to be impressed with the persistence and commitment of our staff group. Our team is dedicated to being available to assist you and maintaining our service levels (www.csspen.com/about-us/contact-us).

Thank you for doing your part. We trust you are taking care of yourselves and your loved ones, and taking the necessary steps to keep yourselves and those around you safe. 

WHAT TYPE OF CSS MEMBER ARE YOU?

MEMBERSHIP BY CAREER STAGE

Not all CSS members need the same guidance when it comes to their pension account(s). Depending on your career stage, the decisions you make with respect to your funds in the CSS Pension Plan may widely differ. While there are many different resources available to you, here are a few key ones you might wish to consult to help you make the most of your retirement savings with CSS.*



EARLY CAREER

Ages 18 - 35

Key focus during this stage

Growing your retirement savings (i.e. accumulation)

Key resources to help you:

In this issue

- "Saving for retirement when you're young" (page 12)

On our website (www.csspen.com)

- **myCSSPEN:** Register for online account access to review your account balance, change your investments if necessary, and access planning tools and calculators.
- **Investor stories:** Learn about some of the thinking that has gone into Desmond, Phil and Zara's investment decisions.
- **Early-career video:** See what Taylor has learned about her pension with CSS.



MID-CAREER

Ages 36 - 50

Key focus during this stage:

Creating a retirement plan

Key resources to help you:

In this issue

- "A look at recent performance and what might be ahead of us" (page 4)
- "Saving for retirement when you're young" (page 12)

On our website (www.csspen.com)

- **myCSSPEN:** Create a simple retirement plan using the Basic Retirement Planner to estimate how much savings you need to afford the retirement you envision.
- **Investor stories:** Find out why Kevin decided to change his CSS investments in order to reach his retirement savings goal.
- **Mid-career video:** Learn what Jack is doing to maximize his pension's growth while time is still on his side.



LATE CAREER

Ages 51 and older

Key focus during this stage:

Drawing down your retirement savings (i.e. decumulation)

Key resources to help you:

In this issue

- "A look at recent performance and what might be ahead of us" (page 4)

On our website (www.csspen.com)

- **myCSSPEN:** Register for online account access to review your portfolio and make changes if necessary.
- **Investor stories:** See if you can find yourself in the featured late-career profiles.
- **Late-career video:** Get an overview of the retirement income options available to you.
- **Pension Plan Consultants:** Contact us to speak to a PPC who will walk you through your options and help you create a customized retirement plan.

*While some helpful resources are listed in this article, the options available to you may differ depending on your own unique circumstances. We strongly recommend you speak to a CSS Pension Plan Consultant or a qualified financial advisor at your credit union or bank before make decisions that impact your pension funds.

MEMBERSHIP BY EMPLOYMENT STATUS

Along with your career stage, whether or not you are currently working for a CSS employer member - or worked for a participating CSS co-operative or credit union in the past - can also affect the options available for your pension funds.*



RETIRED

Key resources for Variable Benefit (VB) recipients

In this issue

- "A look at recent performance and what might be ahead of us" (page 4)

On our website (www.csspen.com)

- **myCSSPEN:** Register for online account access to review your VB account details, change your investments if necessary and more.
- **Pension Plan Consultants:** Contact a CSS Pension Plan Consultant at least once each year to review your investment strategy.

Key resources for monthly pension recipients

In this issue

- "Attention retirees" (page 17)

On our website (www.csspen.com)

- **myCSSPEN:** Review the account details for your pension account(s), including your monthly payment amount.



INACTIVE

An inactive member holds funds in a CSS Pension Plan account but no longer works for a participating employer or makes pension contributions.

While many useful resources for you would be linked to your career stage (see previous page), you also have the option to **transfer in any RRSPs** that you may already have or might contribute to in the future.

Key resources to help you:

In this issue

- "What are the options for my funds when my employment terminates?" (page 8)
- "Your pension contributions: Forgotten treasure to the rescue" (page 10)

On our website (www.csspen.com)

- **myCSSPEN:** Register for online account access to review your account balance, change your investments if necessary, access planning tools and calculators, and keep your contact information up-to-date.



ACTIVE

An active member is currently employed with a participating CSS employer member and actively makes pension contributions each pay period.

While many useful resources for you would be linked to your career stage (see previous page), you also have the option to **make additional voluntary contributions (AVCs)** to your pension account.

Key resources to help you:

In this issue

- "A look at recent performance and what might be ahead of us" (page 4)

On our website (www.csspen.com)

- **ABCs of AVCs**

A LOOK AT RECENT PERFORMANCE & WHAT MIGHT BE AHEAD OF US



The CSS Pension Plan does not intend the information in this article to be relied upon as professional advice, and expressly disclaim any liability for its contents. For assistance or advice, contact us to talk to a CSS Pension Plan Consultant or contact a qualified financial advisor at your credit union or financial institution.

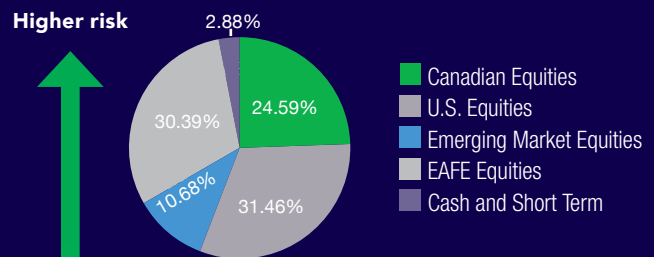
In the **Spring 2020 issue of TimeWise**, we discussed the roller coaster behaviour global financial markets were demonstrating at the time. In May of this year we hosted a **webinar** discussing retirement income and investment considerations in the face of the COVID-19 pandemic. And, during the last week or so of the first quarter and throughout the second quarter of 2020, CSS staff fielded a very high volume of calls from members looking for information and assistance on what they should do with their CSS holdings to ward off the impacts of the pandemic. At that time, we were all painfully aware of the impact COVID had on global financial markets and our CSS investments.

What a difference a few months has made! Global markets have largely recovered their losses from late March, and some stock indices have even achieved significantly higher valuations at the time of writing (mid-September) than they were at the start of the year and pre-COVID. On the fixed income side of things, yields have continued to fall throughout 2020 leading to significant positive returns year-to-date (YTD), generally, for bond holders.

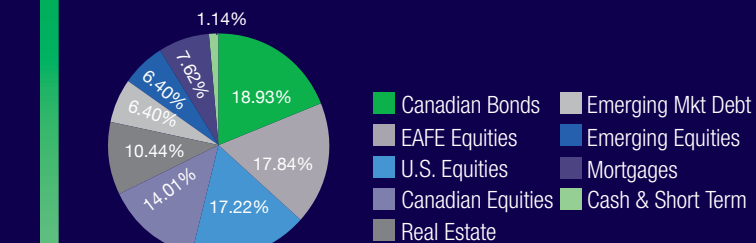
Members holding the CSS Bond Fund have been beneficiaries of falling market yields in 2020 (the Bond Fund YTD return was 6.92% as at September 17, 2020).¹ The YTD returns for the Equity Fund and the Balanced Fund, however, are in the negative single digits (-2.65% for the Balanced Fund and -7.88% for the Equity Fund YTD at September 17, 2020). Given the amount of positive press we're hearing about how markets have recovered and, in particular, how well some technology stocks seem to be doing, why is it that our funds with equity exposure are achieving negative YTD returns and appear to be underperforming when compared to market indices?

CSS INVESTMENT FUNDS

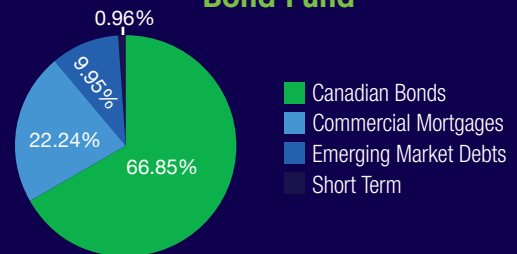
Equity Fund



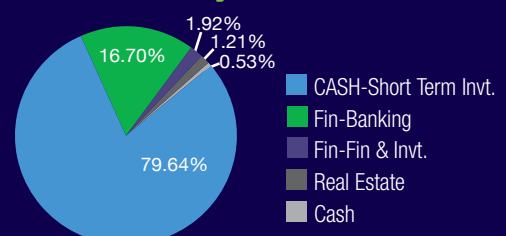
Balanced Fund



Bond Fund



Money Market Fund



Higher risk



Lower risk

INVESTMENT PHILOSOPHY

Before digging into our recent performance, it is important to understand how and why CSS approaches investment portfolio construction as we do. There are a number of core beliefs at the heart of CSS' investment activities. These include:

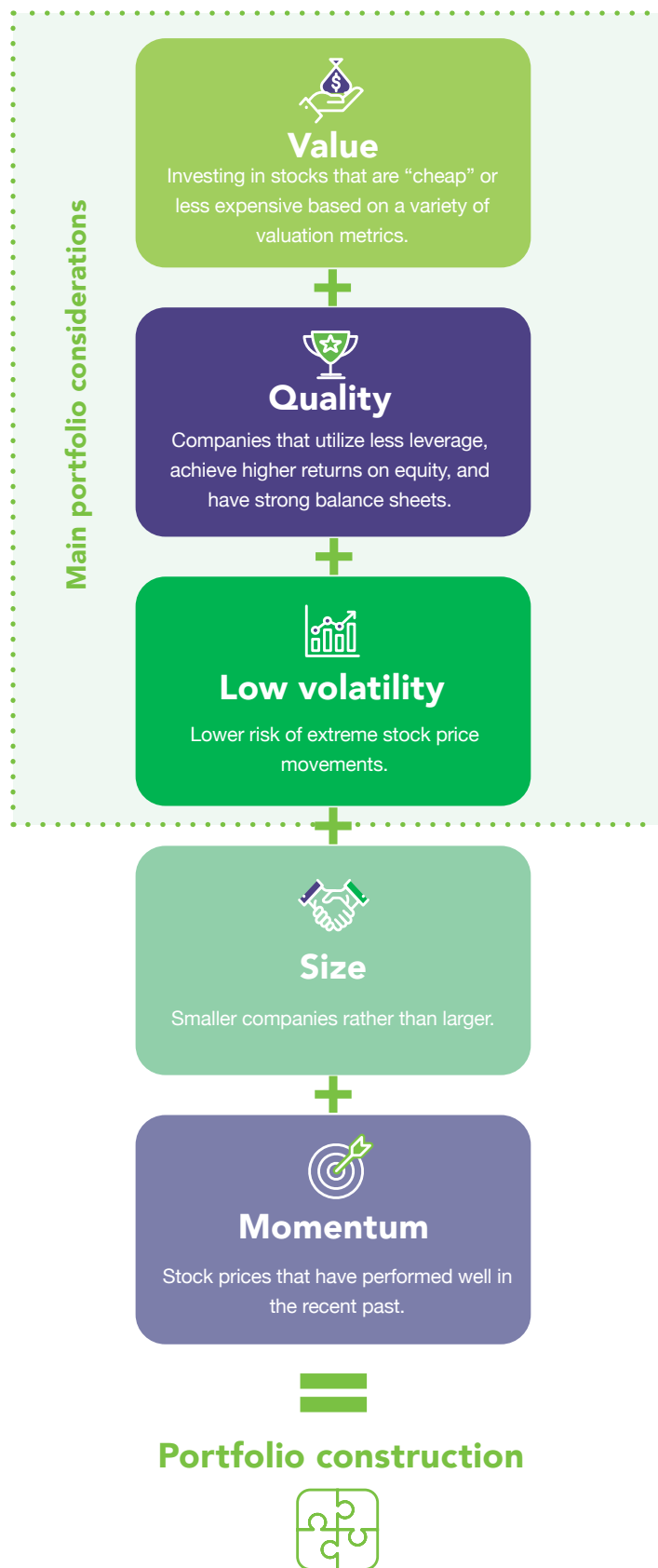
- Member outcomes are paramount – our investment activities are conducted with a view to helping members achieve their goals over the long term
- To achieve a return that is expected to support a reasonable retirement accumulation requires taking on investment risk
- Diversification of investments is key to managing investment risk
- We utilize a disciplined and patient approach to investing and we take a long-term view to our investment strategies and in assessing results

We also believe that an understanding of what investment principles and strategies have worked (and not worked) historically provides our members with the highest probability of success in the future. That has led us to build our portfolio targeting the factors that have been proven through academic and empirical research to contribute to successful investment outcomes, over the long term. These factors include:

- Value** – investing in stocks that are “cheap” or less expensive based on a variety of valuation metrics
- Quality** – companies that utilize less leverage, achieve higher returns on equity, and have strong balance sheets
- Low volatility** – lower risk of extreme stock price movements
- Size** – smaller companies rather than larger
- Momentum** – stock prices that have performed well in the recent past

CSS is a fiduciary and our members' best interests are at the core of what we do. In constructing our portfolio, we are very cognizant that we are investing our members' retirement savings and these savings are needed to provide financial security to our members in their retirement. Our overall investment objective is to achieve outcomes for members that exceed the market risk/return profile, over the long term, while effectively mitigating against permanent capital losses.

For these reasons, while we target all five factors noted above, we bias our portfolio construction toward the value, quality and low volatility factors. These factors are well suited to a typical



¹ **Caution:** Bonds have an inverse relationship to interest rates. When interest rates fall (as has been the case recently), bond prices rise, and vice-versa. The significant recent positive returns of the Bond Fund may not be sustainable given where market interest rates are at today so caution is warranted if considering investing in the Bond Fund based on the recent returns of the Fund. As always, we recommend you consult a qualified financial advisor before making changes to your investment funds.

defined contribution pension plan investor because they tend, on average, to provide an investment return profile that protects on the downside, recovers from lows faster than the broader market, and have lower volatility than the market.

RECENT MARKET EXPERIENCE

Over the past number of years, certain growth stocks (or glamour stocks as they are sometimes known), which tend to primarily capture the momentum factor, have outperformed value stocks and the general market overall. The margin of outperformance of these stocks has only intensified recently during the COVID-19 induced recession and subsequent recovery.

In particular, the technology sector and technology-like stocks have been star

performers as of late. In the U.S. equities market it has been the FAANG+M (Facebook, Apple, Amazon, Netflix, Google, Microsoft), some of the largest weighted stocks in the S&P 500 index, which have dominated. In Canada, the technology sector leader is Shopify, which has recently become the largest capitalized stock in the Canadian equities market.

Facebook, Amazon, Apple, Google, and Microsoft, which are over 20% of the weight of the U.S. index, have returned approximately 35% YTD (as of August 2020), whereas the remaining 495 stocks in the index were in the red YTD. Shopify is up over 150% YTD while the rest of the TSX 300 is down approximately 5% YTD. Given our portfolio biases and core beliefs noted earlier, our investment strategies have not captured the recent added value in this narrow sector of the market.

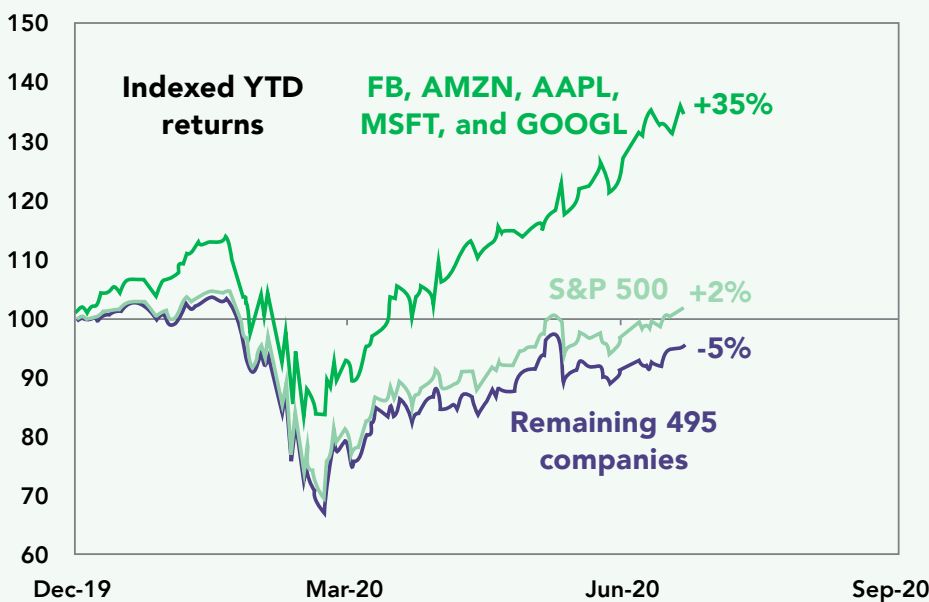
If you believe as we do, that history may have lessons to teach us, it is important to note that over the last 100 years value stocks have outperformed growth stocks by four times despite their significant underperformance in recent years. While it's possible that "this time is different," an opinion shared by CSS and its external investment consultant is that we have yet to see convincing academic and empirical research and data that leads us to believe that we should be dramatically changing our investment philosophy and strategies.

SPEAKING OF HISTORY

Although we do not know what the future will hold, we do know that history does have past periods with some similarities to the current market's characteristics and investor behaviour. The Tech Bubble of the early 2000's and the "Nifty Fifty" market in the 1970's come to mind. The "Nifty Fifty" was a period where blue chip stocks with high growth characteristics (think Polaroid, Xerox, McDonald's, Coca-Cola, IBM, and JC Penny) became investor favorites, as most believed they were a "sure thing." This behavioural bias amongst investors of the day drove prices of these "can't miss stocks" up to 2X the ratio of the broader market. In 1973 these stocks crashed with some of the names falling 60% to 80%, dragging down the S&P 500 39%. A number of the stocks took over 10 years to recover to their previous price highs.

The Tech Bubble of the late 1990's is a similar story as internet stocks became the market darlings and investor's fear of missing out (FOMO) drove these stock prices up 165% more than the broader market. The tech sector accounted for one third of the S&P 500. When the bubble burst the tech sector collapsed by about

The five largest stocks have returned 35% YTD; the other 495 stocks have declined by 5%.



Source: FactSet, Goldman Sachs Global Investment Research

“Nifty Fifty” blue chip stocks



Source: Ritholtz Wealth Management

80% from its peak and drove down the broader market by 49%.

Keep in mind that the current situation is a health crisis brought on by a global virus that currently has no effective vaccine or treatment. So, from that perspective, our current situation is different than past markets and it's anyone's guess how markets will behave in the coming months and years. Nonetheless, we believe there are lessons to learn from these past markets, and we believe that we should be wary of the concentration risk that is currently present.

WHAT ACTION IS CSS TAKING

While current market conditions and recent performance of our equity-exposed funds certainly has our attention, in short, the core action CSS is taking is to stick to our long-term plan. This includes:

- Ongoing monitoring of the performance of our external asset managers

- Continued evaluation of the underlying reasons for our negative performance variance to market benchmarks
- Periodic analysis of long-term return projections of capital markets (provided to us by our external global investment consultant and other global investment houses) and, where warranted, asset allocation changes to improve the probability of meeting our long-term objectives
- Periodic portfolio studies (a study is being conducted in 2020) to maintain a well-diversified portfolio that is expected to outperform in the longer term, even though it may underperform in the short term

We can appreciate that being different than the market (for example, being underweight the high-flying stocks of the day in our equities portfolio) can feel awkward, stupid, and downright wrong in the short term, however, our objective is to achieve better than the market risk/return profile

for members over the long haul. Without compelling evidence to suggest that our core beliefs and investment philosophy described earlier is wrong or is no longer applicable to a defined contribution pension plan, we believe our best course of action is to stay disciplined.

SOME CONCLUDING THOUGHTS

While most equities markets have recovered from their lows in March, it is important to recognize that there is currently a lot of uncertainty about what will occur in the coming months and years. Equities market valuations do not currently appear to be “in synch” with general economic conditions. In most countries, governments have stepped in with significant fiscal stimulus and assistance for individuals, small businesses, and communities. Unemployment rates are high, GDP has been significantly curtailed, debt levels at the individual, business and government levels are elevated. And, it is still too early to fully understand what long-term impacts the pandemic will have on global economies. It is quite plausible that we could see another market drop or correction in the short term if the ill-effects and uncertainty of COVID carry on for some time.

Members close to retirement, in particular, should be thinking about how to position their CSS holdings to protect against short-term market downturns as this could significantly impact their retirement plans. As always, we recommend contacting a CSS Pension Plan Consultant or qualified financial advisor for assistance with your own individual circumstance. From our perspective, one of the best courses of action is to have a plan and to stick to it. ☞



What are the options for my funds when my employment terminates?

So, you've left your employment, and you may be wondering about what to do with your funds in the Pension Plan. Your first option is to essentially do nothing. In other words, you can leave your funds in the Plan until further notice. The second option is to withdraw or transfer your funds out of the Plan.

Let's first discuss leaving your funds in the Plan. If you choose to do this, you can still exercise the second option later on, if you wish. By leaving your funds in the Plan, you continue to be a member of the CSS Pension Plan, and as they say "membership has its privileges" which are:

- You continue to receive the same rate of return as other members of the Plan, and benefit from the Plan's low investment management fees ¹
- As a member who is no longer working for an employer member of the Plan, you can no longer contribute to the Plan. However, you can transfer in any RRSPs that you may already have or might contribute to in the future.
- You will continue to have access to our Pension Plan Consultants, who can assist you with:
 - Your investment choices in the Pension Plan
 - Sorting out your retirement income options
 - Putting together a retirement plan

- Any questions you may have about your pension funds or being a member of the Plan
- Get a personalized annual statement, which is distributed in February each year
- Sign up for free quarterly email updates
- Be able to access your account information online via the myCSSPEN portal, where:
 - You can check your account balance
 - Submit investment instructions
 - Access various tools and calculators to assist in planning for retirement, including our Basic Retirement Planner
- Be able to attend our free Retirement Income Options (RIO) workshops ²
- Be able to receive a retirement income option directly from the Plan. Many defined contribution pension plans in Canada require that their members must transfer their pension funds out of the plan at retirement. This is not the case with the CSS Pension Plan. You can transfer your funds out if you want, but you don't have to. In fact, most retiring members choose to receive their retirement income directly from the Plan. The retirement income options available from the Plan are:

¹ Investment management fees are often referred to as Management Expense Ratios or MERs. The MERs of the CSS Pension Plan's investment funds compare very favourably to those in the retail market.

² These workshops have been temporarily suspended due to the COVID-19 pandemic.

³ VB payments are available to members whose pension funds are subject to BC, AB, SK, MB, ON, NS or Federal pension legislation. Except for SK, all other jurisdictions impose a maximum spending limit on your locked-in funds

- Traditional monthly pension: an annuity type payment that ensures a fixed payment for the rest of your life (and your spouse if applicable)
- Variable Benefit (VB)³ payments: periodic withdrawals from your account. Upon your death all remaining funds go to your surviving spouse (if applicable), or to your beneficiaries or estate.


If you are retiring and if you haven't already done so, you should get in touch with one of our Pension Plan Consultants to find out about your retirement income options.

SURVIVOR BENEFITS

If you leave your pension funds in the CSS Pension Plan, and you pass away before converting the funds into a retirement income, all the funds in your account will go to your heirs. According to pension legislation, your surviving spouse has first claim to your pension funds. If you don't have a surviving spouse, or he/she has signed a waiver form giving up his/her first claim status, then all your pension funds will be paid to your designated beneficiary(ies) or estate.

WITHDRAWAL AND/OR TRANSFER OPTIONS

If or when you decide to withdraw or transfer your funds from the Pension Plan, your options are as follows:

- **Locked-in Funds:**
 - Transferred to another Registered Pension Plan (RPP)
 - Transferred to a Locked-in Retirement Account (LIRA) with a financial institution
 - Transferred to a Life Income Fund (LIF) or Prescribed RRIF (PRRIF) with a financial institution, if you've reached your early retirement date
- **Non-locked-in Funds (if any):**
 - Withdrawn in cash, subject to income tax
 - Transferred to an RRSP or RRIF with a financial institution 

What if I'm going from one employer member to another?

If you are going from one employer member to another, then your employment is not terminating. This is considered an employment transfer. Accordingly, none of the withdrawal or transfer options described in this article would be available to you.


By going from one employer member to another, your service is considered continuous. When your pension contributions start with your new employer, you pick up from where you left off with the previous employer – in other words, your pension contributions go into the same account you already have.

There are approximately 300 different co-operative and credit union organizations that participate in the CSS Pension Plan for their employees.



Contact us

If you have any questions about your pension funds in the CSS Pension Plan, please do not hesitate to get in touch with us:

 **Phone:** (306) 477-8500 | **Toll-free:** 1-844-4CSSPEN

 **Fax:** (306) 244-1088 |  **Email:** css@csspen.com

 **Website:** www.csspen.com |   

Your pension contributions:

Forgotten treasure to the rescue



Joanne Anderson, CSS Member Services Administrator, whose job includes finding missing CSS members has been trying to find Kathryn*, an inactive member** of CSS, since her mail was returned to the Plan in 2005. Kathryn had moved without updating her contact details with the Plan.

Given the long-term nature of saving for retirement, many pension plans like CSS struggle to locate “missing members” who may have moved or changed jobs several times over the years – or simply forgot they had pension funds with CSS. The result? Thousands of dollars in pension funds are sometimes left unclaimed for decades, simply because a member’s contact information was out of date.

In August 2020, the 15-year search ended when Joanne was finally able to get Kathryn’s phone number and called her to confirm her identity. At first, Kathryn was skeptical about confirming her details, especially because she had completely forgotten about her contributions to the CSS Pension Plan and felt this was a scam. This is a common experience for

Joanne in her bid to find missing members.

“Most people are pleasant but hesitant when I call them. There are times I get hung up on,” Joanne says. “People think it’s a scam when I am calling them. Even when I’m sure that I have the correct person, some people don’t want to give me the information I need to confirm their identity.”

However, Joanne was able to jog Kathryn’s memory until she confirmed her identity.

Suddenly, Kathryn remembered that she had been contributing to the Pension Plan while working at the Co-op. But she could hardly believe that she still had money with the Pension Plan. Shortly after Kathryn left her employment with the Co-op in 1997, she got a cheque for \$1800 from the head of accounting and had assumed that the money was her contributions to the CSS Pension Plan. So, when she stopped receiving her annual

statements, she didn’t think it was because she had not updated her address with the Plan when she moved. She simply felt she

“It makes me so happy to find these members that have forgotten about their pension accounts. It is calls like this that push me on with the arduous task of finding the hundreds of missing members.

~ Joanne Anderson
CSS Pension Plan Member Services Administrator

**Name has been changed to protect member's identity*

***An inactive member is a member of the CSS Pension Plan who holds funds in a CSS Pension Plan account but no longer works for a participating employer or makes pension contributions.*



When [Joanne] told me I had that much money, I felt it was \$50 million. It was so shocking, and I felt like I just won a lottery.

~ Kathryn*

A former "missing member" of the CSS Pension Plan

was not a member of the Plan anymore.

However, on hearing that she has a little over \$50,000 with the Pension Plan, she said she felt like she had just won a lottery.

"I have never had extra money in my life," says Kathryn. "As they say, what you do not have you do not miss, but when [Joanne] told me I had that much money, I felt it was \$50 million. It was so shocking, and I felt like I just won a lottery."

Kathryn is thankful for the opportunity she had to work with the Co-op.

"It's the best job I ever had in my life," she says.

Not only did her job with the Co-op provide her with the skills and confidence to further pursue her career, but it will also now provide her with some income through the CSS Pension Plan when she stops receiving income from the Alberta Assured Income for the Severely Handicapped (AISH) when she turns 65.

For Joanne, who continues to search for 1,142 currently missing CSS Pension Plan members, she says stories like Kathryn's make the challenge of finding missing members worthwhile.

"It makes me so happy to find these members that have forgotten about their pension accounts. It is calls like this that push me on with the arduous task of finding the hundreds of missing members. Being able to help people in this way is a rewarding part of my job," Joanne concludes.

Kathryn's numbers

Plan entry	1993
Years of contribution	4 years
Fund(s) invested	Balanced Fund
CSS balance when leaving employment (1997)	\$11,800
Current account balance	\$53,565.74

LESSONS FROM KATHRYN'S STORY

- 1. Keep your information up-to-date with the Plan:** Not only is it important for us to have your complete contact information such as your mailing address, email address and phone number, but it is equally important to keep this information up-to-date. To update your contact information, log in to your myCSSPEN account (members.csspen.com) or complete the Address Change Form on our website at www.csspen.com/forms-and-resources/address-change.
- 2. Contact us if you do not receive your annual statement:** Members of the CSS Pension Plan get their annual statement in the first quarter of each year, either through their employer (for active members) or sent to their mailing address (for inactive and retired members). Do not assume that you are no longer a member of CSS if you do not get your annual statement but contact us instead to confirm.
- 3. Keep track of your CSS contributions:** With myCSSPEN, you can keep track of your pension contributions and perform other important self-serve tasks. Although myCSSPEN was not available at the time Kathryn lost track of her CSS contributions, it would have allowed her to keep track of her pension account and confirmed that the cheque she got from her former employer was not for her pension contributions. Visit members.csspen.com to register for myCSSPEN today to keep track of your account. ☞

Saving for retirement when you're young

Why Leigh McDonald made saving for retirement a priority in his 30s

Leigh McDonald may be young, but his retirement planning and savings ethic is beginning to mirror that of a well-seasoned expert.

The 36-year-old Affinity Credit Union employee only started seriously looking into his membership with CSS about six months ago and quickly became intrigued with the process. He is now taking action for his retirement by learning more about what his membership in CSS can do for him now and in the future.

"I always knew I was putting money away in the CSS Pension Plan, but I didn't realize what it was doing for me," he said. "I realize now that my pension will make up most of my retirement income and how thankful I am that Affinity has a pension plan."

Even though he has been contributing to CSS for 12 years now, he admits he did not know much about it before he started educating himself – a characteristic typical of millennial members.

According to the [2019 CAP Member Survey](#), 69% of baby boomers most likely agree they feel prepared for retirement vs. 41% of millennials. Considering retirement may be decades away in the future, many millennials simply are not yet paying attention to retirement and are focusing on different financial priorities, such as paying

off student loans and getting their first mortgage.

Contrary to the statistics, it was Leigh's mortgage that drove him to inquire further about his CSS Pension.

"Our mortgage is almost paid off, so my wife Laura and I wondered what to do with the money we would normally put toward the house," he says.

It was then that Leigh decided to start looking into his membership with CSS. He visited the website (www.csspen.com) and used the online planning tools and calculators available in myCSSPEN to estimate his retirement income. He also researched the options available to him at different stages of his career. For example, while working and actively contributing to the Plan, CSS members have the option to make additional voluntary contributions (AVCs) to their pension accounts. AVCs are similar to making contributions to an RRSP, except the contributions are invested in a CSS Pension Plan fund - or funds - of your choice.

Leigh says he also did not realize the sheer number of options available to members at retirement to convert their pension funds into a retirement income. CSS members have the option to set up an in-plan monthly pension (guaranteed



monthly payments for life) or Variable Benefit payments (periodic withdrawals from CSS investments) as early as age 50, or they can set up retirement income payments with a credit union or other financial institution.

AN ADVOCATE FOR MILLENNIALS

Considering Leigh has almost paid off his mortgage speaks to his financially-disciplined lifestyle – one that he learned at an early age given both of his parents worked in the financial industry.

"I always was taught to save," Leigh recalls.

When he was just 22 years old, he started working for Affinity Credit Union in Saskatoon at the IT help desk. A year later he became a member of CSS.

Like many people in their 20s, seeing their company pension plan "take away" a portion of their pay cheque can appear irritating or inconvenient when wages are typically lower at this stage of one's career; however, Leigh is ultimately grateful the automatic employer-matched deductions happened.

Fast-forward 12 years and Leigh is now the Server and Storage Team Lead at Affinity and has over a decade's worth of contributions put toward his CSS account. Since Leigh started saving for retirement early, he is now starting to see the benefit of taking a long-term perspective to investing and the power of compound returns in action. Compound returns occur

when the investment earnings on your pension contributions begin to accrue earnings on themselves and allow savings to grow more rapidly.

"I didn't realize how important compound interest was," Leigh points out.

While Leigh now understands the importance of compounding, he also understands the challenges members his age face when it comes to getting motivated to save for the future.

"It's hard to know who to go and talk to about this," he says, adding that it is not always obvious where to access information.

The CSS website is a good place to start (www.csspen.com). Members can register for myCSSPEN to check the value of their account, estimate their retirement income, change their investments if necessary, keep track of the contributions they make to the Plan, and more.

CSS members also have the option to speak to a CSS Pension Plan Consultant to get complimentary advice about their unique planning and savings needs.

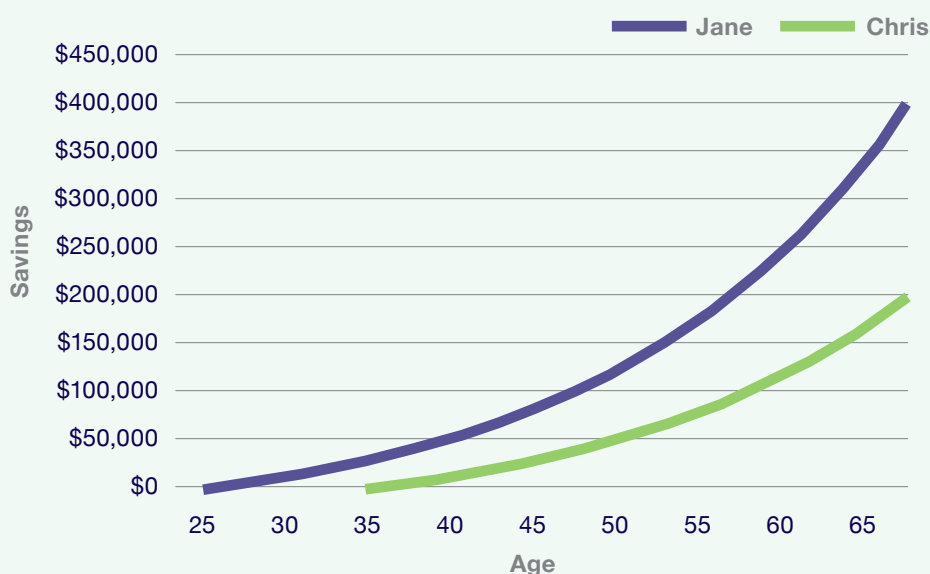
"It seems almost taboo to talk about money, but if you can never talk about it, you can never learn," Leigh says. "Try and educate yourself."

Along with the research Leigh has done on his pension with CSS, he also finds listening to financial planning podcasts and reading blogs helpful.

THE IMPACT OF FEES (AND TOO MUCH ICE CREAM)

Leigh says another game changer that motivated him to take an interest in his retirement assets was becoming aware of the investment fees [i.e. the management expense ratio (MER)] charged by an external financial institution he dealt with.

The compounding effect*



Hypothetical savers Jane and Chris contribute \$200 per month into a savings account with an approximate 6% rate of return.

Jane starts saving at age 25, while Chris starts a decade later at age 35. By the time they both retire at 65, Jane has contributed \$96,000 and Chris has contributed \$72,000 - but Jane has almost double the funds of Chris because she has 10 extra years of compound returns.

For illustration purposes only. Investments are never guaranteed.

*Data source: Business Insider, Mar. 25, 2014



I always knew I was putting money away in the CSS Pension Plan, but I didn't realize what it was doing for me.

- Leigh McDonald

“Two per cent fees seemed low, but it adds up over time,” he said.

In a nutshell, the level of fees paid can mean hundreds of thousands of dollars difference at retirement as the chart below shows. For example, an investment of \$100,000 earning 6% per year with fees of 2.0% would grow to **\$219,112** after 20 years; the same investment with fees of 0.4% would grow to **\$297,357**, giving you an extra \$78,245 at retirement from the money saved in fees.

long term, the total value of the pooled funds allows us to offer a leading-edge investment structure with very low fees in comparison to the retail marketplace.

While Leigh hopes other young CSS members will start to take notice of their pension accounts and make similar discoveries as he has, he is also instilling the importance of saving by teaching his nine-year-old son, Luke, the value of money and a budget.

to think about what their retirement will look like – a key step in the retirement planning process. Travel is a high priority on their list. They also want to simply spend time doing something they're passionate about, such as spending more time with family and friends, exploring part-time opportunities in other countries and knowing that they are financially secure in their retirement.

Whatever the future holds, it is looking bright for Leigh and hopefully his story can help shine a light for other CSS members as they embark on their own road to retirement. 💰

MER	0.4%*	1.0%	2.0%**
Annual Net Return (6% - MER)	5.6%	5.0%	4.0%
Cost of fees over 20 years	\$23,356	\$55,384	\$101,601
Net asset value after 20 years	\$297,357	\$265,330	\$219,112
Cost of fees over 40 years	\$144,359	\$324,573	\$548,470
Net asset value after 40 years	\$884,213	\$703,999	\$480,102

*MER range for CSS investment funds as at Dec. 31, 2019. It is important to note that the fees can change based on the actual costs incurred by the Plan. The current MER is reported on a quarterly basis and is always available under the Investing section of our website.

Depending on the CSS investments chosen, fees range from 0.14% to 0.41%* of average investment assets. This is a fraction of the fees typically charged for retail mutual funds and is made possible because CSS is a non-profit organization that does not incur sales force and fund distribution costs. CSS also has “strength in numbers;” since our members join together to save for retirement over the

“Last summer when Luke was eight, he would ask every day to go for ice cream at Dairy Queen. I told him we can go for ice cream once in a while, but not all of our money can go to ice cream. I taught him that we have to budget and allocate it to a variety of things,” Leigh remembers.

Now that Leigh is learning more about his CSS Pension, he and Laura have started

Election of employee delegates

For details on Co-operative Superannuation Society delegate elections, please refer to the [CSS bylaws](#) (available on [www.csspen.com](#)).

For 2021, the election of employee delegates will be held for the Saskatchewan region.

This is the official notice of the calling of an election for **January 29, 2021** to elect seven employee delegates for three-year terms, representing the Saskatchewan region.

All delegates will be expected to attend the Co-operative Superannuation Society annual meeting (annual meeting details to be determined and communicated in the near future).

A nomination form for employee members in the Saskatchewan region is available below. In addition to completing the nomination form and questionnaire on the reverse of the nomination form, candidates are requested to forward a recent .jpeg/ digital image to appear in the information sheet accompanying the ballot.

Nominations are to be forwarded to and received by the Returning Officer, no later than **4:30 p.m., Tuesday, December 1, 2020**.

Upon close of nominations the Returning Officer will prepare the necessary ballot, containing the names of the qualified nominees, and arrange distribution of such ballots to employee members in

Saskatchewan for whom contributions and a completed application for membership has been received by CSS prior to November 1, 2020.

Martin McInnis, Returning Officer



CO-OPERATIVE SUPERANNUATION SOCIETY
PO BOX 1850, SASKATOON, SASKATCHEWAN S7K 3S2

NOMINATION FOR DELEGATES

Must be received by December 1, 2020

Date: _____

We, the undersigned, nominate: (candidate's name) _____

of (address) _____ in _____ for delegate.

Name of employee member

Signature of employee member

1. _____

2. _____

3. _____

4. _____

5. _____

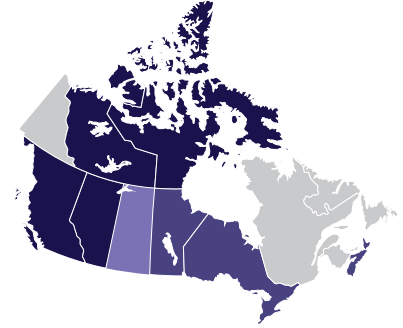
N.B. - To be valid, nominations must be signed by five voting employee members.

I hereby consent to allow my name to stand for election as an employee delegate to the Co-operative Superannuation Society.

Signature of candidate: _____ Occupation of candidate: _____

Five things you wanted to know about being a delegate But were afraid to ask!

- 1** Delegates are required to attend the annual meeting of CSS (one day), and any special delegate meeting necessary during their term. The need for special meetings has been all but non-existent in recent years.
- 2** Delegates, as representatives of the members, are the only ones able to effect a change in the bylaws or rules of the Plan as such bylaws and rules affect benefit provisions.
- 3** Delegates elect the Board of Directors. While each delegate has the right to be nominated for such elections, each delegate also has the right to refuse such nomination.
- 4** Delegates receive a per diem of \$251 for attending meetings, plus out-of-pocket expenses.
- 5** Being a delegate is a responsible position – however it does not require a significant time commitment.



CSS VOTING REGIONS

- Alberta/British Columbia/N. Canada
- Saskatchewan
- Manitoba/E. Canada

Consider being a candidate for the election of delegates!



QUESTIONNAIRE TO BE COMPLETED BY EACH CANDIDATE

NOTE: The purpose of this questionnaire is to provide information to the voters and give them some knowledge of employee members who have been nominated.

Name of candidate: _____ Member ID number: _____

Present employer: _____

Position now held: _____

Co-op or credit union experience: _____

Educational achievements: _____

Please provide any comments you may have about the future direction of CSS in areas such as Plan provisions, investments, member services, etc.

- Plan provisions: _____
- Investments: _____
- Member services: _____

My photo will be sent electronically to: css@csspen.com

Date: _____ Signature: _____

A new era for *TimeWise*

In 2017, we made the decision to distribute *TimeWise* primarily as a digital magazine through our website. Since that time, we have given employers the option to request printed copies of the magazine to hand out to their employees, and our retired members also had the option to receive the magazine in print if they chose to.

However, over the past three years only a very small percentage of our membership opted to continue receiving *TimeWise* in print

While we understand that print is the preferred format for some of our readers, and as much as we would like to accommodate all of our members' individual delivery preferences for *TimeWise*, we have made the decision to no longer issue printed copies of *TimeWise* beginning in 2021. The decision comes in light of our ongoing effort to do our part for the environment and promote more cost-effective business practices. By continuing to cut printing costs, we are able to keep our investment and administration fees lower for CSS members – this means more money in our members' pockets when they retire.

Additionally, the COVID-19 pandemic has forced many of our members to work remotely and more business to be conducted digitally. To ensure continued and consistent distribution of *TimeWise* to all members regardless of where they may be working or living, we have decided to shift our focus to enhance the accessibility of *TimeWise* so members can read it anytime and from anywhere.

Although it is certainly the end of an era, we are excited about what the future holds for *TimeWise*. We are planning to transition the magazine to become a robust digital publication over the next year that will focus on providing you with more relevant information pertaining to your CSS pension based on your age, career stage, membership status and other factors, so stay tuned!

In the meantime, please be assured that you can access *TimeWise* through our website each spring and fall (www.csspen.com/forms-and-resources/publications/timewise), along with other helpful information and resources to guide you on the road to retirement and beyond.

We also encourage you to join our member email list to be notified when new issues of *TimeWise* are available and to receive select mobile-friendly articles direct to your inbox. To join the list, visit www.csspen.com and click the "Email list" link in the website footer.

We thank you for your co-operation and understanding throughout this transition. ☺

CSS wins national award

The CSS Pension Plan is honoured to be this year's recipient of the *Benefits Canada* Workplace Benefits Award for Pension Plan Communications.

The Plan was recognized for its attention to detail, use of data and analytics, and its communications strategy that largely focuses on providing information to CSS members digitally.

"We would like to thank *Benefits Canada* magazine for recognizing our efforts and honouring us with this achievement," says Nicole Quintal, communications manager at CSS Pension Plan. "Everything we do at CSS is for our members' best interests. To receive this award is a testament to this mission and shows that we are focusing our efforts in the right places as we work to provide our members with digital resources to help them achieve optimum retirement outcomes."

The awards were announced in an online roundtable event on October 16.

For more information about the CSS Pension Plan's award win, please visit www.csspen.com/about-us/news. ☺

Attention retirees!

The CSS Pension Plan is pleased to continue the tradition of providing the December monthly pension payments prior to the holiday season.

Pension direct deposit	Dec. 18
Pension cheque mailing	Dec. 17
VB payments deposit	Dec. 15

For more information about 2021 income tax changes, visit the [News page on www.csspen.com/about-us/news](http://www.csspen.com/about-us/news).



Strength in Numbers.

Co-operative Superannuation Society Pension Plan
www.csspen.com



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