



INFORMATION REPORT

TO:	Chair and members HMRF / HWRF Pension Administration Committee
COMMITTEE DATE:	November 20, 2023
SUBJECT/REPORT NO:	Hamilton Municipal Retirement Fund (HMRF) Hamilton Wentworth Retirement Fund (HWRF) Wind-Up (FCS23006(a)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Barb Howe (905) 546-2424 Ext. 5599
SUBMITTED BY:	Shelley Hesmer, Acting Director Financial Services, Taxation and Corporate Controller Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

HMRF / HWRF Pension Administration Committee meeting of March 30, 2023 approved the following:

“That staff report back to the HMRF/HWRF Pension Administration Committee on pricing estimates to purchase annuities from an insurance company that will provide HMRF and HWRF plan members with the same level of benefit that is currently being provided under their respective pension plans”.

INFORMATION

The valuations, as at December 31, 2021, which were presented at the meeting of March 30, 2023, showed that the plans were in a funded status of 121.5% and 98.1% for the HMRF and HWRF plans, respectively. At these funded status levels, a wind up was a cost effective option. However, after the last meeting, an update on the funded status was provided. As at December 31, 2022, there was a deterioration in the funded status to 107.8% and 89.3% for the HMRF and HWRF plans, respectively, due to a downturn in the markets.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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This deterioration made it less desirable to pursue a wind up of the plans, at this time, and consequently, pricing estimates for annuities from insurance companies were not requested. Nor was the survivor audit or mortality study conducted at this time. While a survivor audit could be done at any time, a mortality study is best done just prior to pursuing pricing estimates for annuities since it would provide the City with a negotiating tool to secure better pricing from insurance companies.

The timing of winding up the plans is sensitive to market conditions and would require the City to act relatively quickly when the market is favourable, to ensure that the funded status of the plan is close to 100%. As a result, a future recommendation report will be brought forth setting out the parameters by which staff will initiate a wind up. In the meantime, staff will continue to monitor the markets, conduct a survivor audit and hold internal stakeholder meetings to prepare for an eventual wind up of these plans.

APPENDICES AND SCHEDULES ATTACHED

None

BH/dt