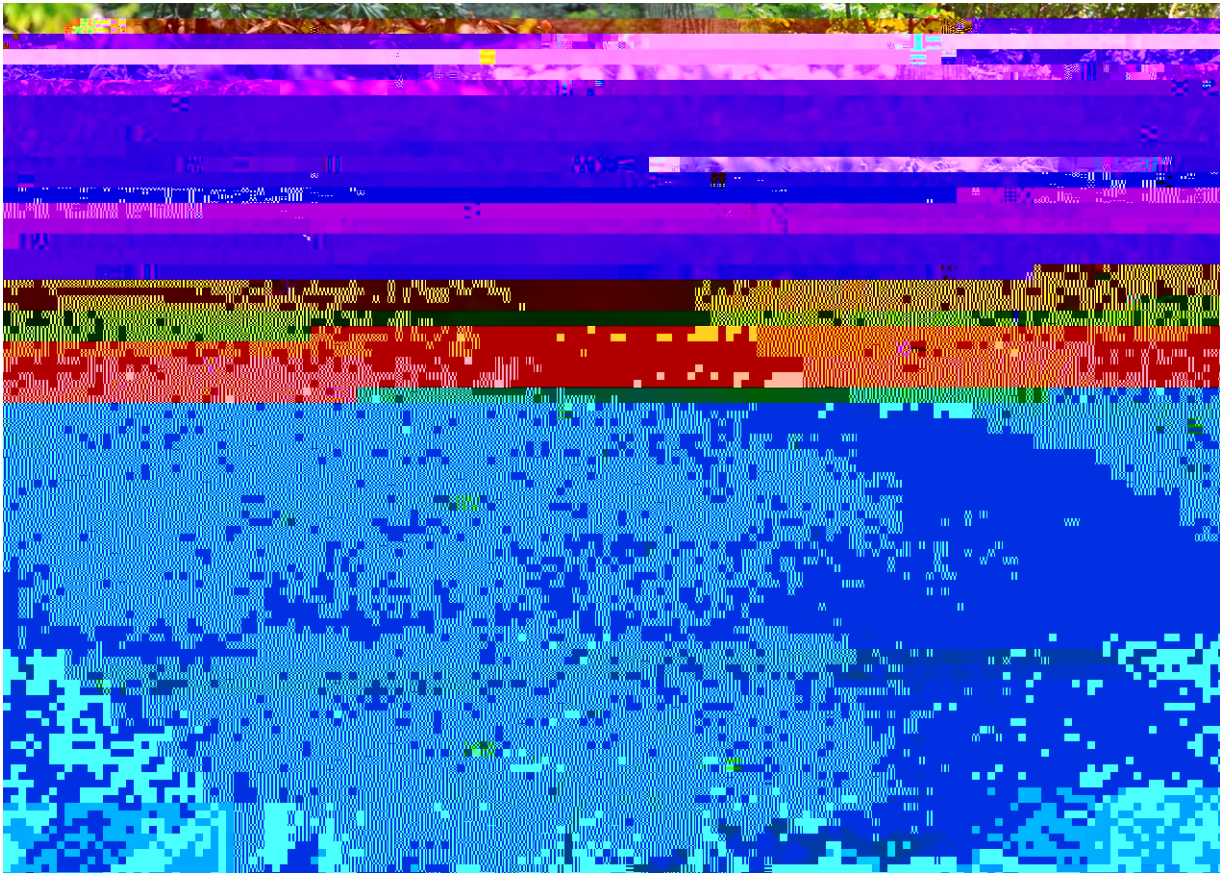


University of Victoria
Long Term Disability Plan for Faculty and
Administrative and Academic Professional Staff





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Message from the Chair

The Trustees are pleased to provide this annual report to the members of the Long Term Disability Plan for faculty and administrative and academic professional staff of the University of Victoria.

The report provides an overview and update of the Plan for the year ended March 31, 2018.

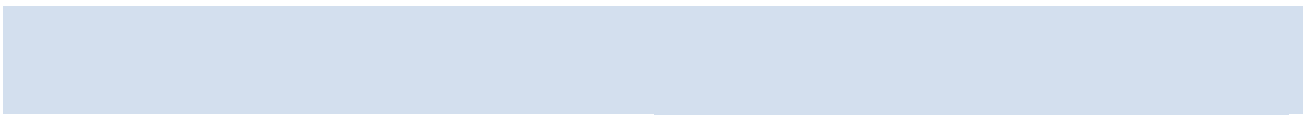
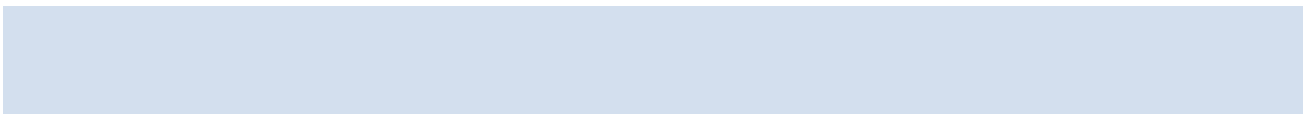
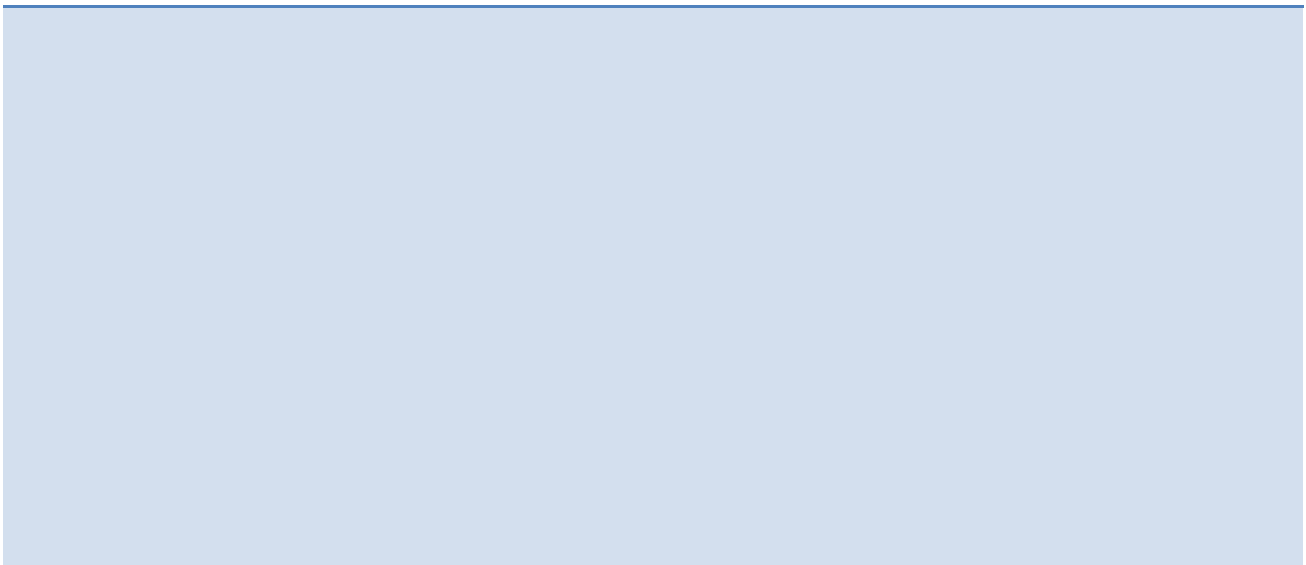
Financial Highlights

The Trust completed its scheduled triennial valuation estimating Plan assets and liabilities at June 30, 2017. This comprehensive actuarial valuation is used to determine the contribution rate for the upcoming three-year period. Due to a 58% increase in the number of disability claimants between June 2014 and June 2017, the Plan's unfunded liability grew from \$3.8 million to \$6.6 million and consequently the contribution rate was increased in January 2018 to 2.35%. This contribution rate took into account a higher than expected number of claimants anticipated to retire in the near future.

The Trust also receives an annual year-end accounting estimate for financial reporting purposes.

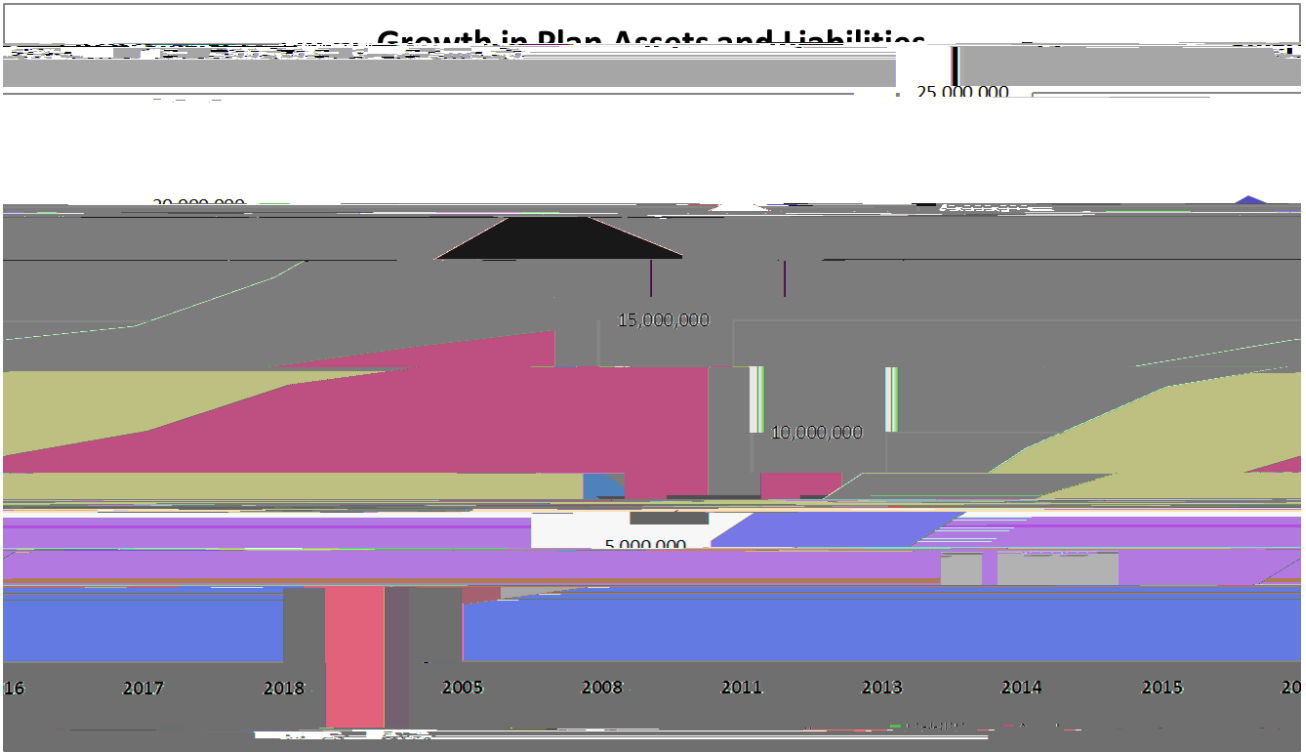


Governance and Service Providers

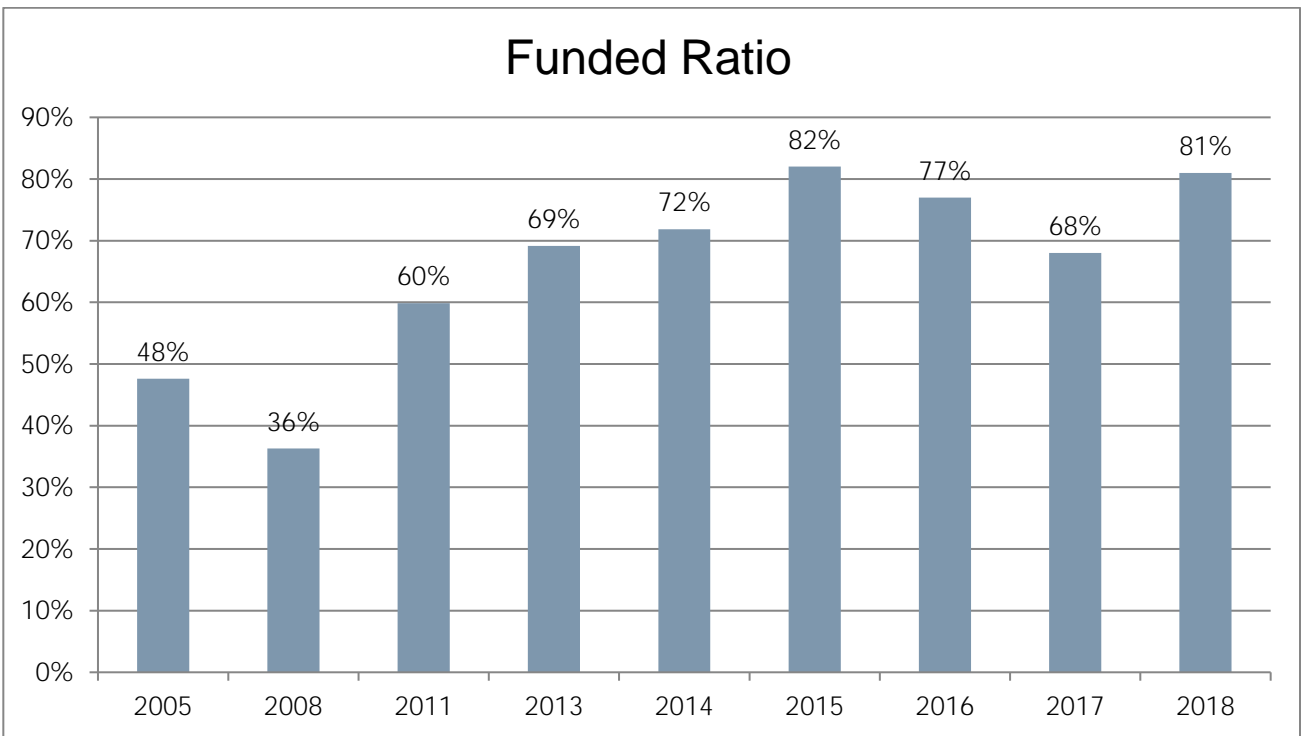




Growth in Plan Assets and Liabilities



Funded Ratio





Benefits

Long-term

required to maintain employee and University Pension Plan contributions. LTD benefits payable from the Plan are reduced by the amounts of any disability benefits payable from any University or government plan providing salary continuance or disability income paid during the disability period covered by this Plan. As the Plan is 100% funded by Qualified Employees, the benefits received are not taxable.

continuously disabled due to sickness or injury and as a result is unable to perform the duties of his or her normal occupation or the duties of any occupation for which he or she is fitted by



Contributions

The Plan is funded solely by contributions from Qualified Employees. Contribution rates are adjusted periodically to reflect the anticipated cost of new disabilities, the financial condition of the Plan, and the ongoing administration costs of the Plan. As a result of the June 2017 actuarial valuation, the contribution rate was increased to 2.35% of gross salary due to the significant increase in the number of claims since the 2014 actuarial valuation. The new rate took into consideration a higher than anticipated number of claims expected to return to work.

Historically, the Plan's contribution rate has been as follows:

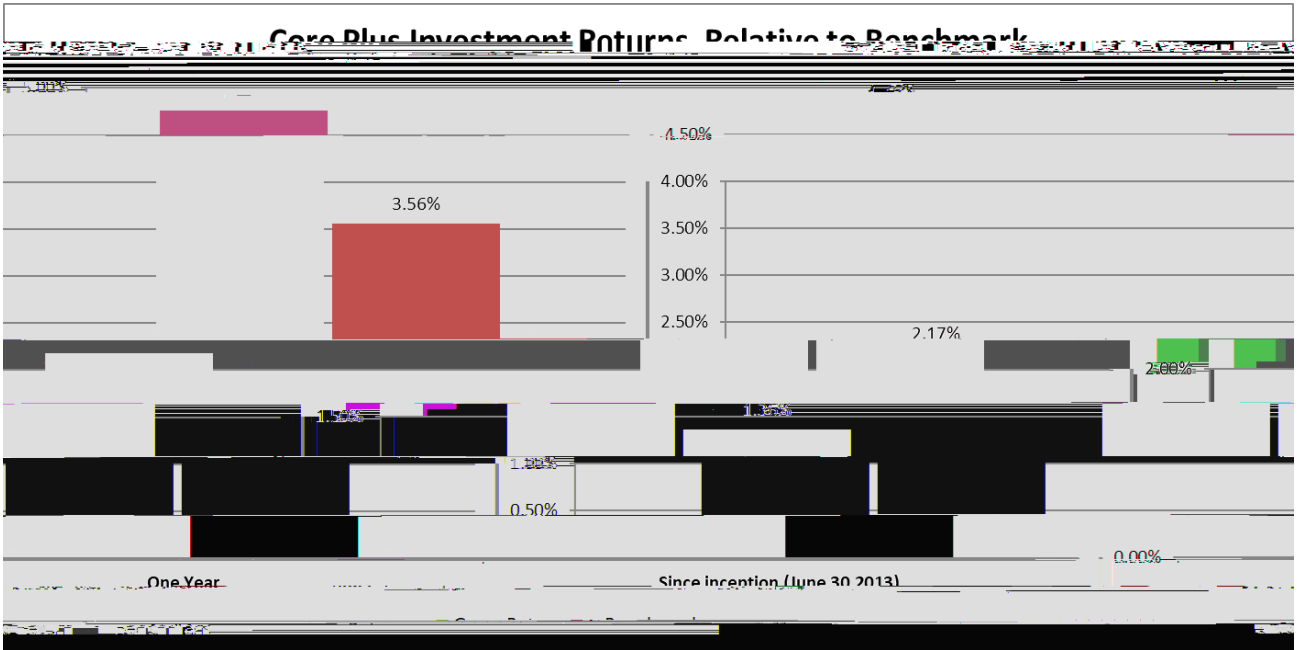
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Funding Policy

In June 2013, the University approved a Funding policy for the Plan that outlines key parameters





Administration

Claims adjudication and benefit payment services are contracted under an Administrative Services Only (ASO) agreement to British Columbia Life & Casualty Company. Membership and general administration, including the collection of member contributions, is undertaken by the University. d by the contributions to the Plan.

The Trustees have engaged Mercer Canada Limited to provide actuarial services to the Plan. In addition to a year-end estimate of Plan liabilities done each March 31 for financial reporting purposes, Mercers provides a comprehensive actuarial valuation every three years. The most recent comprehensive valuation was completed as of June 30, 2017 and the next full valuation is scheduled for June 30, 2020.



Financial Statements

The Plan's annual [financial statements](#) are prepared by the Accounting Office of the University of Victoria and audited by the accounting firm of Grant Thornton LLP.

Contact Information

Plan enquiries can be directed to any of the Trustees as follows:

