

**Government Money Purchase Pension Plan
Committee**

2025 Annual Report

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Government Money Purchase Pension Plan
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Honourable Craig Pardy
President of Treasury Board
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL A1B 4J6

Dear Minister Pardy:

On behalf of the committee responsible for the Government Money Purchase Pension Plan (GMPP), I am pleased to submit the 2025 Activity Report. In accordance with the **Transparency and Accountability Act**, the GMPP is classified as a category 3 government entity and is required to produce an annual report outlining its activities for the previous year. This report was prepared under the direction of the committee, which accepts responsibility for the information and results presented.

The committee's mandate includes oversight of the GMPP, encompassing the establishment of investment policies, the recommendation of an administrator or custodian, and ongoing monitoring of the plan's performance. The GMPP operates as a capital accumulation plan, whereby retirement benefits are determined by the level of contributions made and the investment returns earned over the course of an employee's career.

Promoting investment options and encouraging members to take a more active role in managing their plan assets are key strategic priorities of the GMPP Committee. Most members remain invested in default options that carry lower risk and lower expected returns. It is important that members understand the potential risks and rewards associated with different investment choices and their implications for long-term financial outcomes. Accordingly, the committee emphasized member engagement and education to support informed investment decision-making.

This annual report outlines the GMPP Committee's activities and highlights changes in plan assets and membership during 2025. It represents the third and final report issued under the committee's 2023–2025 Activity Plan. Strong financial market performance in 2025 generated investment gains of \$49.2 million, strengthening the plan's overall asset base.

I am pleased to submit the 2025 Annual Report for your consideration.

Sincerely,



Lisa Curran
Chair of the Government Money Purchase Pension Plan Committee

1.0 OVERVIEW

The GMPP provides pension coverage to part-time employees of Government and its agencies, as well as to full-time employees of participating employers who are not eligible to participate in other government-sponsored pension plans. The GMPP Committee was established by the Lieutenant Governor in Council and is responsible for overseeing the administration and operations of the plan. Employer representatives are appointed by virtue of their positions within government, while employee representatives are appointed based on recommendations from the respective unions.

Government Money Purchase Pension Plan Committee Members

(As of December 31, 2025)

Government and Employer Representatives:

Lisa Curran (Chair)	Assistant Deputy Minister- Human Resources, Treasury Board Secretariat
Krissy McCarthy	Newfoundland and Labrador Health Services
James Doody	Director, Benefits Administration, Treasury Board Secretariat
Dean Batten	Manager, Pensions, Treasury Board Secretariat

Employee Representatives:

Bert Blundon	Newfoundland and Labrador Association of Public and Private Employees
Bob Johnston	Newfoundland and Labrador Teachers' Association
Pamela Toope	Association of Allied Health Professionals
Dawn Learning	National Representative, Canadian Union of Public Employees
Kim Parsons	Registered Nurses' Union Newfoundland and Labrador

The committee's responsibilities include ensuring that employee contributions are invested prudently, offering a range of investment options, promoting the plan, and educating members on the importance of taking an active role in managing their investments. A member's retirement security is directly affected by investment decisions, which should reflect individual risk tolerance and long-term financial objectives. To support informed decision-making, the committee has approved a variety of investment options for members, including Guaranteed Investment Accounts (GIAs) and market-based funds such as equity, bond, global equity, balanced, and target-date funds.

To support its mandate to educate and serve plan members, the committee has engaged Canada Life Assurance Company (Canada Life) as both the custodian and administrator of the GMPP. Canada Life also provides ongoing operational and administrative support to the plan and its members.

Market-based investment options are managed by Phillips, Hager & North Investment Management Limited (PH&N). Eckler Ltd. provides advisory services related to pension governance and compliance with applicable legislation as required. Investment management fees paid to these service providers vary depending on the type of investment and the level of assets under management.

2.0 MANDATE

According to section 12.1 of the **Government Money Purchase Pension Plan Act**, the committee is established by the Lieutenant-Governor in Council and mandated to administer the GMPP. The mandate is delivered by completing the following activities:

- Development, implementation, and review of investment alternatives to provide plan members with the ability to make an active investment decision for their accumulated funds.
- Promotion of the plan and education of plan members on the importance of taking an active interest in their investments.
- Oversight of investment options to ensure that contributions accumulated to the credit of plan members are invested prudently in the investment classes prescribed by the committee.
- Oversight of the services provided by the administrator and the performance of the investment manager.

3.0 PLAN MEMBERSHIP

Plan membership has increased by approximately two percent, from 41,572 accounts in 2024 to 42,379 accounts in 2025. The number of accounts includes both active participants and terminated employees who have left their funds on deposit with Canada Life. Of the total number of accounts, 14,604 (34.5 percent) are members who contributed during 2025. The following table illustrates the change in membership from 2024 to 2025:

	<u>2025</u>	<u>2024</u>
Membership, January 1	<u>41,572</u>	<u>39,528</u>
<u>Additions</u>		
Enrolments during the year	<u>4,100</u>	<u>4,620</u>
<u>Less: Exits</u>		
Terminations	3,013	2,373
Death Benefits	37	36
Retirements	<u>243</u>	<u>167</u>
	<u>3,293</u>	<u>2,576</u>
Membership, December 31	<u>42,379</u>	<u>41,572</u>

4.0 FINANCIAL HIGHLIGHTS

Market Value

Employee contributions for the year totalled \$16.39 million, plus \$230,179 in Additional Voluntary Contributions (AVCs) and \$1.86 million were transfers from other pension plans. Plan members may deposit AVCs to the plan, subject to RRSP limitations under the federal **Income Tax Act**. These AVCs are not matched by the employer. Employer contributions for the year totalled \$16.37 million, and the investment gain was \$49.2 million. The Statement of Changes in Assets for the Year Ended December 31, 2025, is shown below:

Statement of Changes in Assets for the Year Ended December 31		
	<u>2025</u> (\$Millions)	<u>2024</u> (\$Millions)
Opening Balance, January 1	<u>\$483.4</u>	<u>\$431.4</u>
Contributions to the Plan	34.9*	41.2
Investment Income	<u>49.2</u>	<u>53.4</u>
Total Additions	<u>84.1</u>	<u>94.6</u>
Refunds to Terminating Plan Members	37.5	40.6
Administrative & Investment Costs	<u>2.2</u>	<u>2.0</u>
Total Deductions	<u>39.7</u>	<u>42.6</u>
Net change in assets	<u>44.4</u>	<u>52.0</u>
Total Value, December 31	<u>\$ 527.8</u>	<u>\$ 483.4</u>

Administration Costs - December 31, 2025

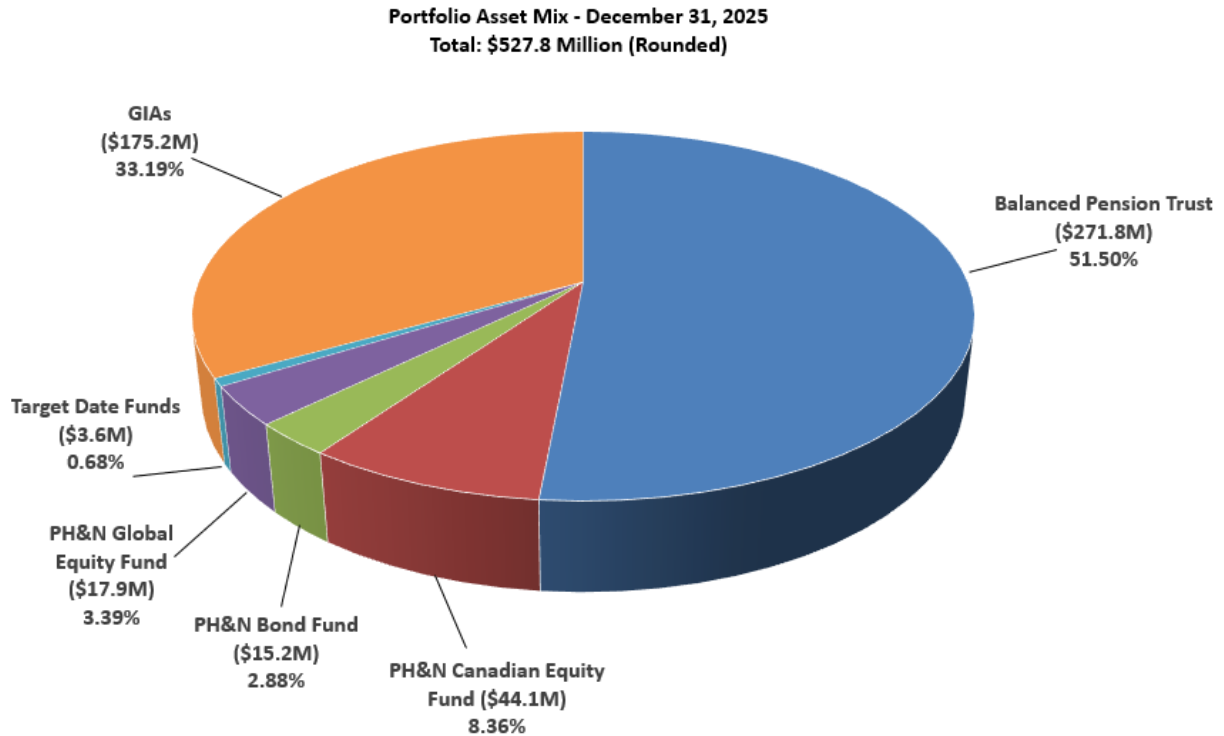
	<u>2025</u>	<u>2024</u>
Investment Management Costs (PH&N)	\$607,034	\$551,199
Canada Life Admin Costs	\$1,577,813	\$1,436,301
Annual Pension Plan Registration	<u>\$12,500</u>	<u>\$12,500</u>
Total Administration Costs	<u>\$2,197,347</u>	<u>\$2,000,000</u>

The Forfeiture Account consists of employer GMPP contributions forfeited when non-vested members terminate participation in the plan and elect to receive a refund of their contributions. Since the establishment of the GMPP in 1989, the balance of the Forfeiture Account has been intended to help fund administrative costs associated with operating the plan. As at December 31, 2025, the Forfeiture Account balance was \$9.3 million, an increase of \$0.8 million from December 31, 2024.

Investment management fees paid to PH&N are calculated as a percentage of total plan assets and are charged directly to plan members through their investment earnings. Administrative fees paid to Canada Life are fully funded by plan members.

Portfolio Asset Mix

Based on the asset decisions of plan members and the direction of the employer's share to the balanced fund, the asset mix of the portfolio as of December 31, 2025, illustrated in the following chart:



Additionally, as of December 31, 2025, the Blackrock Islamic and the Zero Interest Fund held \$16,012 and \$1,631 respectively.

Investment Performance as of December 31, 2025

The following table illustrates the performance of the GMPP market-based funds to December 31, 2025:

Government Money Purchase Pension Plan (GMPP) Summary of Investment Returns as of December 31, 2025 with Benchmark comparisons				
Investment Options	Three Months %	One Year %	Five Years Annualized % per annum	Ten Years Annualized % per annum
Balanced Pension Trust	1.53	13.23	8.26	8.72
Balanced Pension Trust Benchmark	1.87	13.68	8.47	8.21
Canadian Equity Fund	5.54	29.34	16.19	12.65
S&P/TSX Capped Composite Index Benchmark	6.25	31.68	16.09	12.66
Bond Fund	-0.24	2.97	0.00	2.34
FTSE Canada Universe Bond Index Benchmark	-0.32	2.64	-0.35	1.89
Global Equity Fund	-0.12	11.44	8.33	12.02
MSCI World Total Return Net Index (CAD)	1.59	15.41	13.80	12.02

Note: Total returns are gross-of-fee and reported in Canadian dollars
Fund benchmarks are listed directly below their associated fund investment returns.

5.0 2025 OBJECTIVE AND RESULTS

The GMPP Committee is responsible for supporting the President of Treasury Board in administering the GMPP and providing recommendations on matters referred by the President. Its key responsibilities include developing, reviewing, and implementing investment policies; recommending benefits consultants, administrators, record keepers and investment managers for appointment; and overseeing the activities of the plan administrator/record keeper and investment manager, Canada Life and PH&N respectively.

Additionally, the committee plays a vital role in assisting pension plan members with investment decisions, helping them allocate employee and employer contributions effectively to maximize retirement benefits. As part of its **2023-2025 Activity Plan**, the committee established an annual objective to align these responsibilities.

The following summary outlines the committee's mandated activities as of December 31, 2025:

Objective: By December 31, 2025, the Government Money Purchase Pension Plan Committee will have prudently managed and administered the Government Money Purchase Pension Plan.

Indicators:

- **Developed, implemented, and reviewed investment alternatives to provide plan members with the ability to make an active investment decision with respect to their accumulated funds.**

The committee continued to assess the current investment offerings to ensure they align with the needs of plan members. The current investment options allow adequate diversity to meet the investment needs of plan members.

- **Provided educational promotion materials to increase investment interest and active participation of plan members in their self-directive management of their accumulated funds.**

Canada Life offered 24 educational sessions (10 unique topics) during 2025, which focused on the various financial planning stages impacting plan members. Session topics included: RRSPs and TFSAs, Managing Debt, Investing Beyond the Basics, Retirement (Saving for your Future), Retirement (Getting Close), and Welcome to Canada – The Canadian Retirement System). Approximately 200 GMPP members registered for these sessions in 2025.

Members can access the Group Retirement Service website from Canada Life to find information about their pension plan, including investment options. In 2025, this website experienced 2,636 unique visits from plan members.

In 2025, the Canada Life call centre serviced 5,814 enquiries from plan members.

- **Provided oversight of investment options to ensure that contributions accumulated to the credit of plan members were invested prudently in the investment classes prescribed by the committee.**

Throughout 2025, employees utilized all investment options provided by the committee; however, the overall asset distribution remained largely unchanged. The committee, in collaboration with Canada Life, will continue to promote member engagement in asset

selection.

- **Provided oversight of the Record Keeper services and the performance of the Investment Manager.**

In 2025, Canada Life, as the administrator/record keeper, met with the committee to provide updates on GMPP participation and overall plan administration. The company continues to deliver reliable custodial and administrative services.

PH&N demonstrated strong investment performance across most asset classes, though only the Bond surpassing the 2025 benchmarks. Over a 10-year period, however, PH&N approximately met or exceeded the benchmark in all designated asset classes.

- **When requested, provided recommendations to the responsible Minister on matters referred to the committee.**

During 2025, there were no recommendations made by the committee to the responsible Minister.

6.0 OPPORTUNITIES AND CHALLENGES

The GMPP Committee will address opportunities and challenges by developing, implementing, and reviewing investment alternatives to support plan members in making informed decisions about the management of their accumulated funds, and will oversee investment options to ensure that member contributions are invested prudently within the investment options prescribed by the Committee.

The GMPP Committee will also respond to opportunities and challenges related to member engagement by ensuring that the plan administrator provides educational and promotional materials to promote investment awareness and encourage active participation by plan members in the self-directed management of their funds, while overseeing administrator services and monitoring the performance of the Investment Manager.

7.0 CONTACT INFORMATION

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