

CLPENS

Newsletter

NOTES TO THE 2005 CONSOLIDATED FINANCIAL STATEMENTS

Reference was made in the 2005 Canada Life annual report in Note 14 of the Consolidated Financial Statement annual report, which is outlined below:

“The Company has declared a partial plan wind-up in respect of an Ontario defined benefit pension plan. This partial wind-up will likely not be completed for some time and, as a result of the July 2004 Supreme Court of Canada decision in Monsanto Canada Inc. v. Ontario (Superintendent of Financial Services), could involve the distribution of the amount of the actuarial surplus, if any, attributable to the wound up portion of the plan. However, many issues remain unclear, including the basis of surplus measurement and entitlement and the method by which any surplus distribution would be implemented.”

Reference was also made in Note 22 of the 2005 Great West Life Consolidated Financial Statements, which is outlined below:

“Subsidiaries of the Company have declared a partial plan windup in respect of Ontario defined benefit pension plans, which will not likely be completed for some time. The partial windups could involve the distribution of the amount of actuarial surplus, if any, attributable to the wound up portion of the plan. However, many issues remain unclear, including the basis of surplus measurement and entitlement, and the method by which any surplus

distribution would be implemented. In addition to the regulatory proceedings involving one of the partial windups, a related proposed class action proceeding has been commenced in Ontario. Based on information presently known, the Company has not established a provision for these matters, due to the significant uncertainty with regard to the issues and likely outcome.”

*President: Wib Antler Vice President: Ed Barrett
Secretary Treasurer: Gary Nummelin
Committee Members: Phil Davy, Alex Harvey, David Kidd, Brian Lynch, Jim Martin, Fred Taggart*

PARTIAL PLAN WIND- UP UPDATE

As reported in Newsletter 28 the partial plan windup report, as at June 30, 2005, was completed on March 31, 2006 and filed with the Financial Services Commission of Ontario. Any member of the Canada Life Canadian Employees Pension Plan is entitled to view this document.

This report does not (*for privacy reasons*) include the appendix of individual affected member pension entitlements. Nor does it include the treatment of estimated partial wind up surplus. In addition, since the amounts estimated in the report were calculated as at June 30, 2005, they could change significantly.

After careful review by our committee, our lawyers and actuaries we have completed a summary of the key elements of the report and have posted it on the CLPENS website at <http://www.clpens.com/PWUSummary.htm>. This is for informational purpose only and we are unable to provide any further comment at this time.

Please note the opening paragraph of the summary that states:

This note provides a summary of the report submitted by Canada Life to FSCO in respect of the partial plan wind up of the pension plan. Readers should not infer any specific individual entitlements arising from the pension plan surplus. The size and disposition of any pension surplus is subject to both market forces and the achievement of a negotiated settlement between the parties. At this stage, neither of these factors can be quantified.

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Issue #29

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April 27, 06

SERP UPDATE

The mandate of CLPENS is to safeguard the interests of the registered plan members. Accordingly as indicated in the last newsletter, we have had initial discussions with our actuarial advisors, Robertson Eadie and Associates, and our legal advisors, Koskie Minsky.

Our actuarial advisors have confirmed that the partial wind-up of the SERP has had no effect on the surplus position of the registered plan. CLPENS will not pursue the SERP issue further.

There does however appear to be grounds for consideration of a legal action on behalf of SERP members. The SERP group will be scheduling a meeting in the near future so that interested SERP members can organize a separate action if that is their desire. Communication around the logistics of that meeting will be via e-mail to the existing SERP distribution list.

MEMBERSHIP DUES

Anyone wishing to become a voting member for the first time should send a cheque for \$125 to the attention of CLPENS at the address below. Those who have not yet renewed their voting membership should send a cheque for \$25 to:

CLPENS Group
P.O. Box 37036
6502 Yonge St.
North York, Ont.
M2M 4J8

NOTE: Previous newsletters are available on our website. The Group's website is www.clpens.com. If you have information or opinions to share with us send your submission to clpens@rogers.com