

Q: What will the NPC board do?

A: The new NPC board will offer end-to-end oversight and be a single source of accountability for the new organization. It will take strategic direction from the PEPP Board and the MEPP Commission.

Q: What changes will pension plan members see?

A: There won't be any changes to the Plan itself. PEPP will continue to operate in the same way and be overseen by the PEPP Board. This includes all investment management activities, including contracts with some of the best fund managers in the world.

As a member, your contribution rates, entitlements and services will not change. There may be a small annual increase in administrative fees of 0.01% per member (\$20 to \$30), which is built into the Plan and not charged directly to members. We're also optimistic this could be offset by cost-savings in the years ahead.

Industry benchmarking shows PEBA's administrative costs are lower than other Canadian pension administrators. Management fees tend to be lower than retail financial institutions, and it's expected to stay this way.

MISSED THE TOWN HALL INFO SESSION?

Not to worry. Go to the PEPP website, then click on [Learn More](#) in the dark blue box to access information and resources about PEBA's transition to a not-for-profit corporation. The page includes:

- a recording from [the PEPP town hall session](#);
- [frequently asked questions about NPC](#); and
- a detailed report from MNP titled, [Steady. Trusted. Future Ready.](#)

Investment fees: what are they and how do they impact savings?

Did you know that PEPP's low investment fees are a key benefit to you? The reason: the less you pay in fees, the more money you'll have in your PEPP account to retire.

Here's a snapshot of what you need to know about investment fees.

What is a management expense ratio or MER? A MER measures the total cost to manage the assets of an investment fund for the year. The ratio, shown as a percentage, is a standard financial services fee.

All investment funds have fees, which can vary widely. The **expense ratio (ER)** for each PEPP fund is below one per cent as shown on the right.

Various Canadian personal finance websites suggest that the average mutual fund MER is about two per cent. This means that if you have \$100,000 in a fund, you're paying about \$2,000 in fees annually! And retail mutual funds may have other fees too.

In general, lower MERs are better as they result in higher net returns.

Like MERs, PEPP's ERs are deducted from the fund's assets. These fees cover the actual costs to operate the Plan and are **not** used to generate a profit.

All investment funds incur an admin fee. As well, each fund has fees based on the asset mix, as some investments cost more to manage than others.

Finding a fund's ER or MER. In the *About the Fund* section on PEPP's website, you'll find a [Fund Performance page](#) for each fund. The Overview section shows the fund's ER. However, if you want more details on a PEPP fund, view the *Fund Fact Sheet*.

To find the MER for any mutual fund or Exchange Traded Fund (ETF), review a fund's "Fund Facts" or prospectus.

While fees are not the only factor to consider when choosing an investment fund, it's helpful when comparing PEPP funds to non-PEPP funds. The more you know, the better you can manage your money.

0.78% Accelerated Growth Fund

0.73% Growth Fund

0.65% Balanced Fund

0.58% Moderate Fund

0.47% Conservative Fund

0.47% to 0.78% PEPP Steps Fund*

0.22% Bond Fund

0.16% Money Market Fund

Expense ratios are as of March 31, 2022.
*The expense ratio for the PEPP Steps Fund depends on your current step since there are 13 steps.