

Retiree pension and benefits newsletter

June 2022

2021 Annual Pension Statement

Annual pension statements as at December 31, 2021 will be mailed to pensioners by the end of June, 2022. The statement provides general information about the Plan's financial position and administration. If you're a pensioner, your statement also includes information about the pension election you made as well as your spousal and pension beneficiary designation.

If you need to update your spousal or beneficiary information, please contact the BC Hydro Benefits and Pension Centre (see contact information on page 4).

Key facts about the pension plan

	At December 31, 2020	At December 31, 2021
Total number of active plan members (employees)	7,370	7,317
Total number of pensioners	5,754	5,881
Market value of plan assets	\$4.4 billion	\$4.8 billion
Pension benefits paid (January to December)	\$184.9 million	\$193.7 million

What's inside?

- Pension plan's financial health
- Pension plan investments
- Retiree extended health care
- Submitting claims to Sun Life
- Power Pioneers
- Health & Wellness
- Contact information

The pension plan's financial health

Every three years, we carefully review the plan's funded position to ensure there's enough money in the pension fund to pay pension benefits for all of our employees and retirees. This is called an actuarial valuation.

The actuarial valuation is a way to assess the financial health of the plan to help ensure the plan remains financially sound. The plan's assets must meet its long term liabilities and the future costs of its obligations to current employees and to retirees. The actuary examines the plan's finances, membership, various economic and demographic factors, and life expectancy changes.

A valuation of the plan as at December 31, 2021 is currently underway, and will:

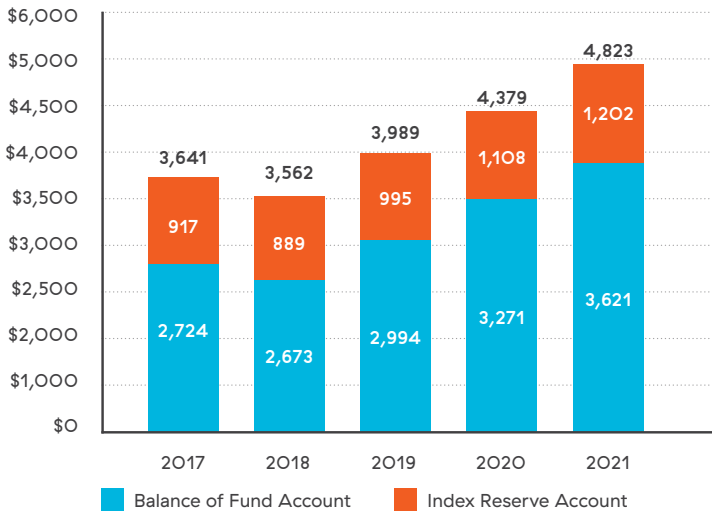
1. Determine the current service cost.
2. Establish a funding recommendation for the plan.
3. Determine the sustainable rate of indexing benefits that can be provided from the Index Reserve Account.

The valuation results as at December 31, 2021 will be finalized and communicated later this year.

OTHER MEASURES OF THE PLAN'S FINANCIAL HEALTH

Market value of assets

(Shown \$ in millions) at December 31



This graph shows the total market value of plan assets over the last five years. Fluctuations in the fund are normal and don't have significant long-term impacts on the fund.

Pension plan investments

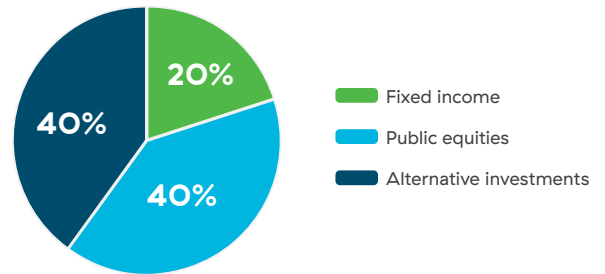
Investment returns, along with BC Hydro and employee contributions, finance the pension plan. The plan is invested based on a long-term strategy and is well diversified across many types of investments. This helps manage the risks associated with a single investment and the expected fluctuations in short-term returns.

LONG-TERM ASSET MIX

Fixed income: includes bonds, commercial mortgages, and private debt

Public equities: include stocks of publicly-traded companies around the world

Alternative investments: include real estate, infrastructure, and private equity



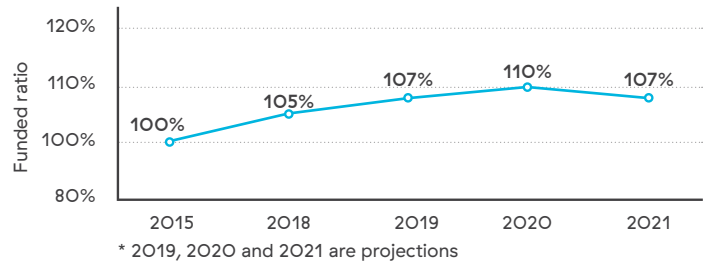
ANNUAL RETURNS

Investment returns have been resilient during the pandemic and the plan remains on-track against its long-term investment goals.

Long-term returns	
5-year annualized (2017 – 2021)	10.0%
10-year annualized (2012 – 2021)	10.1%

Funded Ratio—Basic Benefits

At December 31



When we compare the plan's assets and liabilities, we determine the plan's "funded ratio."

This graph shows the going concern funded ratio of the BC Hydro Pension Plan over the past two actuarial valuations and estimates for 2019, 2020 and 2021 based on projections of the December 31, 2018 valuation. The actual 2021 funded ratio will be finalized in the fall as part of the current valuation as at December 31, 2021.

Retiree extended health care – Extra Plan premium rate increase

If you were eligible for retiree benefits at retirement, you had the option of choosing between the extended health care (EHC) Basic Plan or Extra Plan. Members of the Extra Plan pay a monthly premium and receive additional coverage over the Basic Plan. For all eligible members, regardless of whether you're in the Basic Plan or Extra Plan, BC Hydro pays the cost of EHC claims up to \$25,000. The cost of claims in excess of \$25,000 under the Extra Plan is paid for by the members of the Extra Plan. Every year, BC Hydro's benefit consultants review the claims experience and inflationary increases to determine the cost of the Extra Plan and set the premium rates.

JULY 1, 2022 EXTRA PLAN PREMIUM RATES

We've reviewed the cost of the additional coverage under the Extra Plan over the Basic Plan and have determined that an increase of 5.4% is required for the Extra Plan premium effective July 1, 2022. The new monthly and annual premium rates are summarized in the table below.

	Current		July 1, 2022	
	Monthly	Annual	Monthly	Annual
Single	\$72.25	\$867	\$76.25	\$915
Couple	\$133.25	\$1,599	\$140.50	\$1,686
Family	\$193.75	\$2,325	\$204.25	\$2,451

Note that this increase is less than the previously projected increase due to the lower utilization of EHC benefits during the past year as a result of the COVID-19 pandemic. The largest cost component of the EHC plan is prescription drugs, which makes up approximately 80% of the total EHC costs. Prescription drug costs continue to rise due to inflation and advancements of high-cost prescription drugs.

However, out-of-country claim costs continued to be low during the pandemic. This has resulted in a lower than anticipated overall increase to the Extra Plan rates.

The percentage of claims over the \$25,000 threshold is now approximately 47%. Although the pandemic has slowed down the rate of retirees reaching the \$25,000 threshold, the effects of the pandemic are expected to be temporary and the percentage of members who exceed the \$25,000 lifetime maximum is expected to continue to increase. More volatility than normal in claims submitted under the Extra Plan is expected in the future which will impact future rates required for the Extra Plan. Annual adjustments to the Extra Plan will continue to be based on the analysis of claim costs over \$25,000.

Did you know?

You can claim the premiums paid for the Extra Plan as a medical expense on line 330 of your personal income tax return. Your total premiums paid for the 2022 tax year will appear on your 2022 T4A statement.

Did you know?

You have the option of changing from the Extra Plan to the Basic Plan at any time. Once the Extra Plan is cancelled, the decision can't be reversed. You can request a change form from BC Hydro (Retiree Line).

Submitting claims to Sun Life

Submit your eligible extended health or dental health spending account claims online or by mail to Sun Life.

ONLINE

Sign in to mysunlife.ca or use the my Sun Life Mobile app and select "Submit a claim". Easy-to-use screens guide you through a series of steps. Keep your original receipts for 12 months as Sun Life may ask you for original receipts.

BY MAIL

Complete the Retiree Extended Health Claim Form or Dental Health Spending Account Claim Form and mail it along with your original receipt(s) to Sun Life. You can find the claim form online at mysunlife.ca or request one by calling Sun Life.

Power Pioneers

Join the Power Pioneers and stay connected with eNewsletters, in-person events and online Zoom activities. Participate in projects and fundraising for BC Children's Hospital, United Way, partnerships with BC Hydro and our new Branch Volunteer Hours project.

The next Power Pioneers Jamboree will be at Harrison Hot Springs, September 27, 28 and 29, 2022. Visit powerpioneers.com today and look for the Join Us link on the homepage to get your membership and full access to everything available online.

For more information call Lorilee Koltai at **604 623 3768** or lorilee.koltai@bchydro.com.

Health & Wellness

Lumino Health

All Canadians have access to Sun Life's Lumino Health online digital platform – a one-stop-shop for health resources that you can access at luminohealth.sunlife.ca or through the Sun Life website (mysunlife.ca) if you're covered under the retiree benefits plan.

1. LUMINO PROVIDER SEARCH

Use this feature to find a health care provider by location and specialty.

Healthy nutrition is about more than just food

There is no one size fits all when it comes to nutrition. However, there are some truths that apply to us all when it comes to healthier eating. Eat whole foods more often! That means eating more vegetables, fruits, eating less processed foods and reducing our intake of sweets and processed fats. There are also key lifestyle habits to help us sustain better nutrition and overall health.

1. Get quality sleep: there is evidence to show that when we don't get enough sleep, we also make poorer food choices, reaching for foods higher in fat and sugar.
2. Stay hydrated: when it comes to nutrition, when we're hydrated, we digest nutrients and eliminate waste better. Drinking water throughout the day is the best way to stay hydrated. Try adding a few springs of mint, a slice of lemon or cucumber to inspire you to drink up.
3. Practice mindfulness: instead of eating on the run or in front of a screen, take time to practice mindful eating. A mindful approach to eating helps to reduce stress and promotes good digestion.
4. Adopt a mindset of Addition instead of Restriction: instead of restricting your diet, think instead about adding in more whole nutrient dense foods and adding in the healthy lifestyle habits above. For any new lifestyle habit to stick, make change gradually and make the changes that can be sustained over time. Eating healthier shouldn't be viewed as restrictive – it's eating whole, nutritious foods most of the time but also leaving some room for an occasional favorite treat.

2. LUMINO RESOURCES & OFFERS

Browse special offers or discounted rates for vision, hearing and other medical products, fitness and activity, mental wellness, pet health, food and nutrition, family and home, chronic condition management, and senior health and care.

3. LUMINO HEALTH CENTRE

Find health & wellness resources including articles, guides, videos and podcasts.

Contact information

- Report the death of a BC Hydro pensioner or spouse
- General information about the pension plan
- Submit or change a Power of Attorney

BC Hydro Benefits and Pension Centre
1 888 353 9123 (Mon–Fri 7 a.m. to 4 p.m.)
Employee.Benefits@bchydro.com

- Change of address or banking information
- Information about pension payments or adjust tax deductions
- Questions about your T4A

RBC Investor Services
1 800 668 1320 (Mon–Fri 5 a.m. to 5 p.m.)
benefpay@rbc.com

- Questions about your coverage under the Retiree Extended Health plan
- Questions about your dental HSA claim
- Information on emergency medical travel coverage

Sun Life
1 800 361 6212 (Mon–Fri 5 a.m. to 5 p.m.)
mysunlife.ca Policy 150533

- Out-of-country or out-of-province emergency travel assistance under the Extended Health Care plan (phone numbers are also listed on the back of your Sun Life card)

Allianz Global Assistance
1 800 511 4610 (from US and Canada)
1 519 514 0351 (from anywhere else)

- General information about retiree benefits
- Making changes to your Extended Health Care coverage

BC Hydro (Retiree Line)
604 694 8600 or 1 800 663 1339
Pension.RetireeBenefits@bchydro.com