

EXHIBIT II

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CBC Pension Board of Trustees,  
Ottawa, Ontario.

Gentlemen:

Our actuarial report on the financial condition of the Pension Fund of the Canadian Broadcasting Corporation as at 31 March 1964 was submitted in interim form on 20 January 1965. On pages 22-23 of that report we commented on the forthcoming adoption of Bill C-136, which would establish the Canada Pension Plan. The CPP is now the law of the land, and its direct financial effects will begin on 1 January 1966.

We understand that amendments to co-ordinate the CBC Pension Plan with the CPP are being submitted to the Directors of the Corporation. If adopted, these amendments will have the following main effects.

- (i) The benefit rule for the pension payable to an ex-employee after age 65 will be reduced from 2.0% to 1.3% for each year of service after 1965, in respect of that part of his average CBC salary under section 8 (1) of the CBC Plan which does not exceed the CPP Year's Maximum Pensionable Earnings (YMPE) at the time of his retirement - initially \$5,000 per annum.
- (ii) A similar reduction of 0.7% will be applied immediately when an employee retires on disability pension.
- (iii) A corresponding reduction from 1.0% to 0.65% will be applied in computing widows' pensions.
- (iv) Employee contributions to the CBC Plan will be reduced by 1.6% of the employee's annual salary up to the current YMPE i.e. by at most \$80 per annum in 1966.
- (v) CBC employer contributions to the CBC Plan will probably be reduced by the same amount as the employee's.

We understand that the full reductions under (ii) and (iii) will not be made if the combined CPP pension and the reduced CBC pension do not together come up to the respective 30% and 15% minima that exist in the present CBC Plan.