Annual Statistics Report

Alberta Superintendent Of Pensions

April 1, 2005 - June 30, 2006 Period

FINANCE

MESSAGE FROM THE SUPERINTENDENT

I am pleased to present the annual statistical report on the status of pension plans in Alberta. The report is designed to give the reader information on various features of the private pension system, including regulatory activity, the types of plans being registered, and the funding of those plans.

The report is divided into three sections:

- The first section provides a brief description and overview of activity over the past year.

- The second section examines plan membership and the types of plans registered under the *Employment Pension Plans Act*. Funding, solvency, and actuarial assumptions used in defined benefit pension plans are also covered.

- The third section provides information regarding the financial hardship access program.

The report is based on June 30, 2006 data received from employers and tabulated by my office. This report marks the first year for which we are using a June 30 end-date for the date, and consequently for this report only, the statistics cover 15 months. The new end-date allows us to use more up-to-date data for the bulk of our plans which have December 31 year ends. This is also the first year for which data on Plans for Connected Individuals have been completely excluded from the report.

We appreciate the cooperation and support of the pension industry. This report is part of our effort to make communication a two-way street, providing useful information for the industry. Comments about this report and suggestions for improvements are welcome.

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We look forward to working together in partnership with our stakeholders throughout the year.

Sincerely,

Dennis Gartner
Superintendent of Pensions

Section 1 – Alberta Superintendent of Pensions

Roles and Responsibilities

Administering the EPPA

The office of the Alberta Superintendent of Pensions (the Superintendent's Office), a branch of Alberta Finance, is responsible for the administration and enforcement of the *Employment Pension Plans Act*, RSA 2000, Chapter E-8 (EPPA).

The Superintendent administers and enforces the EPPA, which came into force on January 1, 1987, and is the successor to the *Pension Benefits Act* of 1967. It is designed to safeguard benefits promised to employees under private sector pension plans.

Every Alberta pension plan must be registered, with the exception of certain plans exempted by section 68(1) of the *Employment Pension Plans Regulation*. The registration of a pension plan allows the Superintendent's Office to ensure that each plan continues to comply with the terms and conditions of the EPPA.

- Registered pension plans are monitored to ensure they are administered correctly and that plan funds are sufficient to cover earned benefits.
- Pension plans that do not meet the requirements of the EPPA may be refused registration.
- A Certificate of Registration may be cancelled if a plan does not comply with the requirements of the EPPA. A Certificate of Registration is cancelled when a plan terminates and all assets of that plan have been paid out.

Reciprocal Agreements

The Alberta government is party to two reciprocal agreements, one with the Government of Canada and one with all provinces having similar pension legislation to Alberta's EPPA. These agreements are authorized by section 6 of the EPPA.

- Both agreements provide for the reciprocal registration, examination, and inspection of pension plans.
- Under the agreements, a pension plan that is subject to the legislation of more than one authority is supervised by the authority having jurisdiction over the greatest number of plan members (the "major authority").
- Where the agreements apply, and Alberta is the major authority, the Superintendent's Office carries out the duties and responsibilities and administers the legislation of the other pension jurisdictions.

Plans for Connected Individuals

Plans for Connected Individuals (PCIs) are pension plans whose only members are connected persons for the purposes of the *Income Tax Act*, such as individuals who own at least 10 percent of the company, or do not deal at arm's length with the owner. They have been subject to reduced regulation for several years, and as of August 10, 2006, are no longer required to file with the Superintendent. **Therefore PCI plans have been completely excluded from this report**.

Regulating Plans

Regulating Plans

As of June 30, 2006, the Superintendent's Office was responsible for the supervision of 746 pension plans.

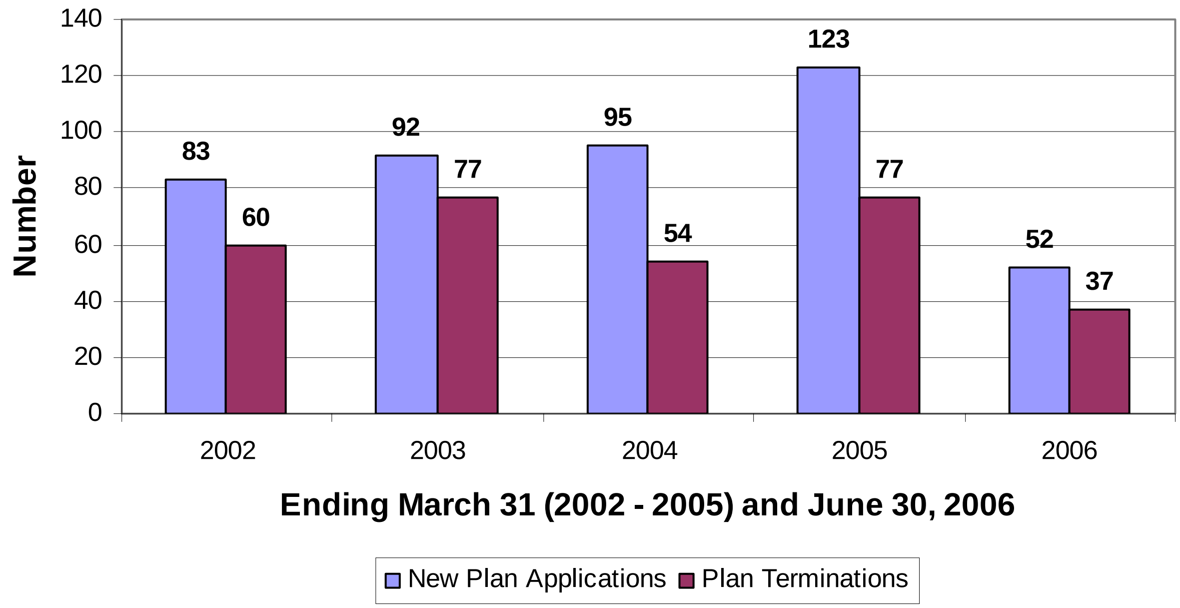
- A total of 661 of those plans had registered status under the Act.
  - 427 of these plans contained only defined contribution provisions;
  - 211 of these plans contained defined benefit provisions; and
  - 23 of these plans were Specified Multi Employer Pension Plans[1].
- Of the remaining 85 plans:
  - 21 had been reviewed but required further documentation before they could be registered;
  - 58 were terminated but awaiting cancellation of the certificate of registration; and,
  - 6 were in a suspended or delayed windup status.

Graph 1 depicts the number of new plan applications in the period of April 1, 2005 to June 30, 2006 versus the number of plans that had their Certificate of Registration terminated within the same year. Additionally, a comparison of new plan applications compared with plan terminations is shown over the past five years.

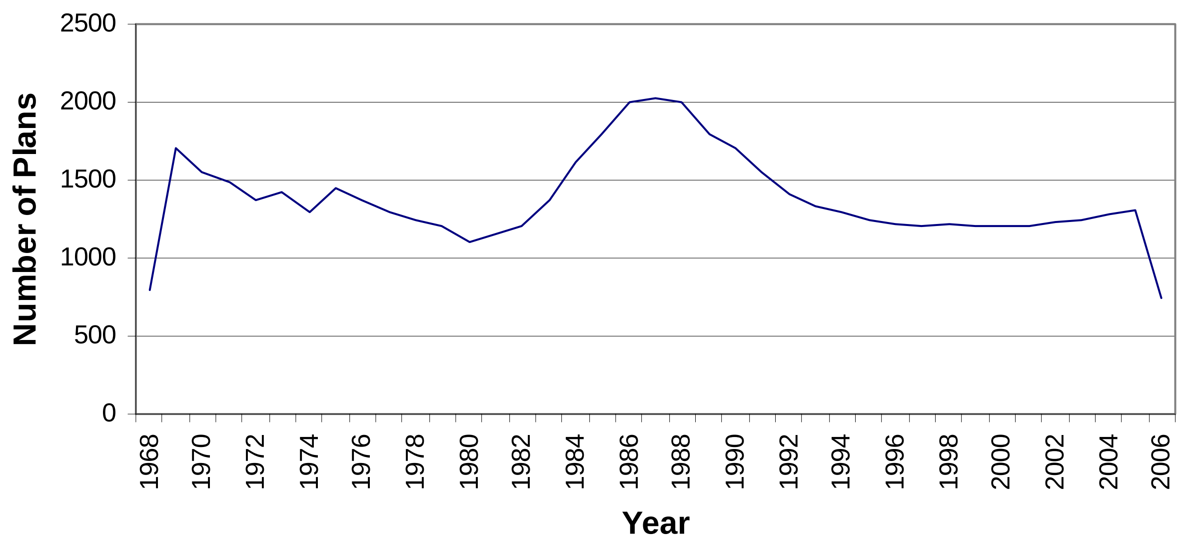
Graph 2 illustrates the number of plans supervised since the inception of the *Pension Benefits Act*, the predecessor to the EPPA, on January 1, 1967.

[1] Specified Multi Employer Pension Plans (SMEPPs) are negotiated contribution defined benefit plans to which multiple employers contribute. They are under joint employer-employee trusteeship.

Graph One
Plan Terminations vs. New Plan Applications



Graph Two
Total Plans Supervised
March 31, 1967 - June 30, 2006



The drop-off of supervised plans exhibited in Graph Two is a result of excluding PCI Plans

Terminated Plans

The Superintendent's Office cancelled Certificates of Registration for 37 pension plans during the year under review. The terminated plans covered 4,499 members.

Table 1 outlines why plans were discontinued and shows the membership distribution. Please note that some of the plans terminated in the year have effective dates of cancellation in years other than the April 1, 2005 – June 30, 2006 period.

Table 1

Discontinued Pension Plans

	Number of Pension Plans	Number of Members Affected
Reasons for Discontinuance		
No Reason Given	5	192
Replaced by a New Plan	6	136
Merged into Another Plan	13	3,845
Bankruptcy of the Plan Sponsor	1	43
No Members Left in Plan	3	3
Non-Approval by CCRA	0	0
Company Dissolved	2	5
Financial / Administrative Concerns	1	10
Replaced by Individual / Group RRSP's	0	0
Non-Compliance	0	0
Other	6	265
TOTAL	37	4,499

Section 2 – Supervised Plans

Plan Funds

Contributions

Contributions to pension plans before the application of excess contributions and forfeiture credits for the period was $1,443.5 million.

- The amount includes employee required contributions, employee voluntary contributions, employee optional ancillary contributions, employer current service contributions, and employer special payments to amortize solvency deficiencies and/or unfunded liabilities.

- Required employer contributions were about $940 million. Approximately $67.5 million in required employer current service contributions were offset by using existing excess assets and forfeiture credits. This represents about 7.1 percent of total required employer current service contributions.

- Required employee contributions were about $184.8 million with an additional $33 million in employee voluntary and optional ancillary contributions. This compares with required employee contributions of about $141.1 million and voluntary contributions of about $18.5 million for the previous fiscal year.

Table 2 outlines contributions made during the period.

Table 2

Contributions to Plans Supervised
for the Period of April 1, 2005 to June 30, 2006

Employee Contributions			
Required	$184,827,861		
Voluntary	$22,380,888		
Optional Ancillary	$10,724,200		
TOTAL	**$217,932,949**		**$217,932,949**
Employer Contributions			
Current Service	$844,926,543		
Contributions Credited to Contingency Reserve	$95,116,225		
Less Forfeiture Credits Used		($3,446,774)	
Less Excess Assets Used		($64,087,062)	
NET CURRENT SERVICE	**$940,042,768**	**($67,533,836)**	**$872,508,932**
Unfunded Liabilities Payments	$100,758,531		
Solvency Deficiency Payments	$184,797,143		
NET OTHER PAYMENTS	**$285,555,674**		**$285,555,674**
TOTAL	**$1,225,598,442**	**($67,533,836)**	**$1,158,064,606**
EMPLOYEE AND EMPLOYER CONTRIBUTIONS (Gross)			**$1,443,531,390**
EMPLOYEE AND EMPLOYER CONTRIBUTIONS (Net)			**$1,375,997,554**

Plan Information

Active Members

A total of 682 active and pending pension plans covering 189,479 active members were supervised by the Superintendent's Office as at June 30, 2006.

- 471 pension plans with 100 active members or less (totaling 14,080 members) accounted for 69.1 percent of all registered pension plans and 7.4 percent of all active members.

Table 3 provides a full breakdown of plans by membership size.

Table 3

Active Membership of Active and Pending Plans for the Period Ended June 30, 2006

Membership Range	Number of Plans	Number of Members
0 – 10	149	698
11 – 50	214	5,867
51 – 100	108	7,515
101 – 200	67	9,282
201 – 300	30	7,366
301 – 400	17	5,808
401 – 500	13	5,968
501 – 600	8	4,395
601 – 1000	27	20,916
1001 – 1500	24	28,341
1501 – 2000	7	11,743
2001 – 3000	4	10,417
3001 – 4000	1	3,365
4001 – 5000	7	30,690
5000+	6	37,108
TOTALS	**682**	**189,479**

Jurisdictions

Of the active and pending plans, 82.4 percent of members were employed in Alberta and 5.2 percent of members were employed in Ontario – the second largest province of employment. The remaining 12.4 percent were employed in the other provinces and territories. A small number of members were employed outside of Canada.

Note that these figures do not include the thousands of Albertans who are members of pension plans registered in other jurisdictions or in Alberta public sector plans that are not required to register under the EPPA.

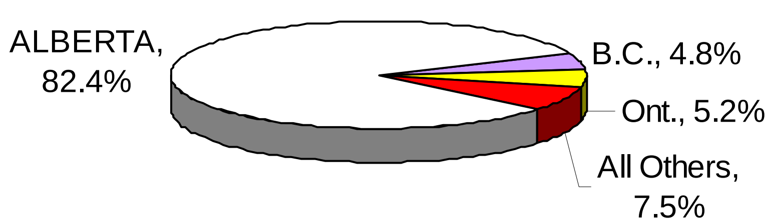
Table 4 lists the number of plans that had members, and the breakdown of membership, in each jurisdiction. There is some overlap, as some plans had members in several jurisdictions. Graph 3 is a province-by-province comparison of percentages of members.

Table 4

Active Membership by Jurisdiction for Active and Pending Plans as of June 30, 2006

Jurisdiction	Number of Plans	Number of Members	Percentage of Members
Alberta	677	155,330	82.4%
British Columbia	137	9,032	4.8%
Saskatchewan	105	5,330	2.8%
Manitoba	62	2,997	1.6%
Ontario	108	9,774	5.2%
Quebec	45	2,052	1.1%
Prince Edward Island	7	40	0.0%
New Brunswick	19	788	0.4%
Nova Scotia	38	1,139	0.6%
Newfoundland and Labrador	31	1,298	0.7%
Territories	27	246	0.1%
Outside Canada	22	422	0.2%
Total		**188,448**	**100%**

Graph 3
Percentage of Members By Jurisdictions



The discrepancies between Table 3 and Table 4 are due to the following:

- Changes made to the legislation now require certain plans to file Annual Information Returns when before they did not. At the time of publication of this report, not all of these plans had submitted new AIRs.

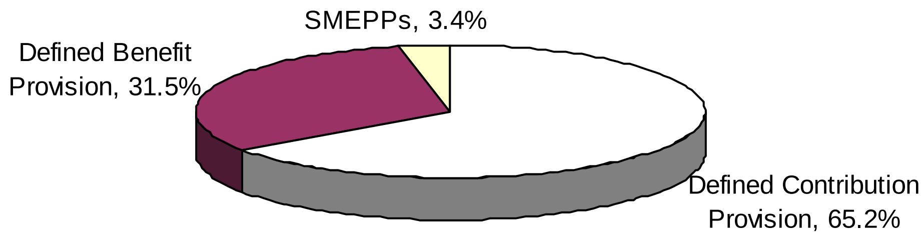
- Certain AIRs for other plans contained discrepancies in their membership grid-by-province relative to their closing membership numbers. The Superintendent's Office was unable to rectify all inconsistencies at the time of publication of this report.

Benefit Type

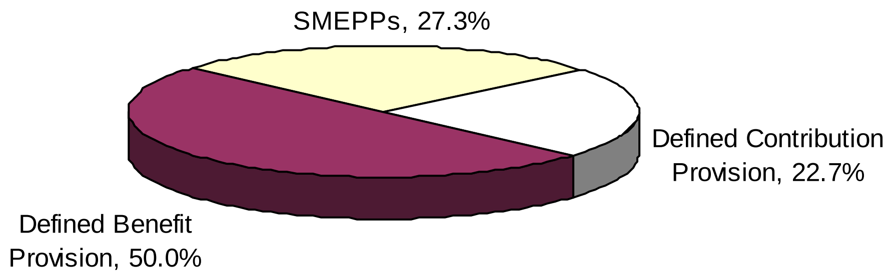
Of the active and pending plans, 65.2 percent were plans that contained **only** defined contribution provisions; however, these plans covered only 22.7 percent of active members. Many plans with only defined contribution provisions were plans for small employers. Plans containing a defined benefit provision (excluding SMEPPs) represented 31.5 percent of plans, covering 50 percent of members. SMEPPs represented 3.4 percent of plans, but covered 27.3 percent of members.

Graphs 4 A and B provide the percentages of plans and active membership for benefit types.

Graph 4A
Percentage of Plans by Plan Type
as of June 30, 2006



Graph 4B
Percentage of Plans by Active Members
as of June 30, 2006



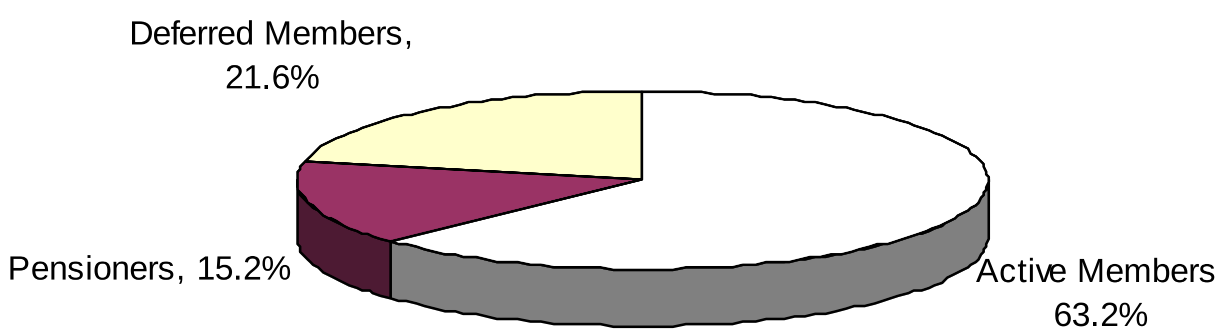
Former Members

As of June 30, 2006, there were 110,083 former members entitled to benefits under actively registered pension plans. Of these, 64,589 were deferred vested members (members neither earning nor receiving pensions, but with entitlements remaining in the plan), including suspended members. There were also 45,494 receiving pension payments, including members receiving a disability pension.

With changes made to the Annual Information Return (AIR) in 2006, the number of former members in all plans – including defined contribution plans – is now being captured.

Graph 5 shows figures for membership distribution.

Graph 5
Distribution of Plan Membership
as of June 30, 2006



Funding and Solvency

Assets

The market value of assets of active and pending pension plans registered in Alberta as of June 30, 2006 was about $21.9 billion.

- The market value of assets attributable to plans with only defined contribution provisions (excluding SMEPPs) was about $1.3 billion.

- The market value of assets attributable to pension plans with defined benefit provisions (excluding SMEPPs) was about $16.6 billion.

- The market value of assets attributable to SMEPPs was about $3.9 billion.

- The per-member market value of assets was approximately:
    - $27,213 for active members under a defined contribution provision;
    - $112,353 for members and former members under a defined benefit provision; and,
    - $37,775 for members and former members under a SMEPP.

- Average market value of assets per plan were approximately:
    - $2.9 million for defined contribution provisions;
    - $77.0 million for defined benefit provisions; and,
    - $171.6 million for SMEPPs.

- The difference in assets among the types of plans is explained by the few very large defined benefit plans and SMEPPs versus a large number of small defined-contribution plans.

Table 5 gives a breakdown of total assets and average assets by plan type.

Table 5

Plan Assets by Plan Type
for Active and Pending Plans as at June 30, 2006

Type of Plan	Plans	Number of Members		Total Assets (millions)		Average Assets Per Plan (thousands)		Average Assets Per Member[2]	
		Active	Total	Market	Utilized[1]	Market	Utilized	Market	Utilized
DC	445	43,065	47,009	$1,279	$1,279	$2,875	$2,875	$27,213	$27,213
DB	214	95,264	148,051	$16,634	$12,795	$77,009	$59,237	$112,353	$86,424
SMEPP	23	51,150	104,502	$3,948	$3,699	$171,635	$160,846	$37,775	$35,401
TOTAL	**682**	**189,479**	**299,562**	**$21,861**	**$17,774**	**$31,960**	**$25,985**	**$72,976**	**$59,333**

Note: 1. Utilized value of assets is based on the most recent cost certificate. It is the value employed by the actuary for valuing going concern liabilities and may be adjusted from market value using "smoothing" methods. The value of utilized assets for any particular plan will vary considerably, based on the year that the last cost certificate for the plan was filed with the Superintendent. Furthermore, the market value of assets is reported annually on the AIR while the utilized value is only reported on the cost certificate, and may be filed only on a triennial basis.

2. Based on total number of members (i.e. active members, deferred and suspended members, and pensioners).

The rest of this report's comments deal solely with plans having defined benefit provisions, referred to as defined benefit plans. In most cases, SMEPPs (which have defined benefit provisions) are shown separately.

Liabilities

Going-Concern Basis

Going-concern liabilities for active and pending defined benefit pension plans averaged over $72.6 million per plan and $68,137 per member. Table 6 shows liabilities by plan type on a going-concern.

Table 6

Going-Concern Plan Liabilities by Plan Type
For Active and Pending Plans as of June 30, 2006

Type of Plan	No. of Plans	Number of Members		Total Liabilities	Per Plan Average Liability	Average Liabilities Per Member (total membership)
		Active	Total	Ongoing	Ongoing	Ongoing
Defined Benefit Provision	214	95,264	148,051	$13,448,796,167	$62,844,842	$90,839
SMEPPs	21	51,150	104,502	$3,575,619,560	$170,267,598	$34,216
TOTAL	**235**	**146,414**	**252,553**	**$17,024,415,727**	**$72,444,322**	**$67,409**

Termination Basis

Termination (solvency) liabilities for active and pending defined benefit pension plans averaged over $80.1 million per plan and $75,182 per member. Table 7 shows liabilities by plan type on a termination basis.

Table 7

Plan Termination Liabilities by Plan Type
for Active and Pending Plans as of June 30, 2006

Type of Plan	No. of Plans	Number of Members		Total Liabilities	Per Plan Average Liability	Average Liabilities Per Member (total membership)
		Active	Total	Termination	Termination	Termination
Defined Benefit Provision	214	95,264	148,051	$14,529,719,011	$67,895,883	$98,140
SMEPPs	21	51,150	104,502	$4,273,855,702	$203,516,938	$40,897
TOTAL	**235**	**146,414**	**252,553**	**$18,803,574,713**	**$80,015,212**	**$74,454**

Unfundeded Liabilities and Solvency Deficiencies

An unfunded liability exists when liabilities are greater than assets calculated on a going-concern basis (i.e. assuming the plan continues in operation). Such deficits must be amortized in 15 years or less.

A solvency deficiency exists when assets would be insufficient to cover all liabilities if the plan were to terminate as of the valuation date. However, because a solvency deficiency is a calculation of an amount requiring an accelerated amortization (five years), it includes credit for the first five years of unfunded liability special payments. Therefore, it is not a pure representation of the wind-up position of the plan. The solvency ratio (see page 21) is a better representation of the wind-up position as it excludes credit for future special payments.

Total unfunded liabilities were $1,445 million while solvency deficiencies totaled $2,553 million.

- 105 registered pension plans with defined benefit provisions, covering 51,118 active members, had unfunded liabilities.

  107 plans, covering 63,129 active members, had solvency deficiencies.

- A total of 69 plans with defined benefit provisions had both an unfunded liability and a solvency deficiency.

- 10 SMEPPs, covering 30,097 active members, had unfunded liabilities.

  14 SMEPPs, covering 29,597 active members, had solvency deficiencies.

- A total of 9 SMEPPs had both an unfunded liability and a solvency deficiency.

Table 8 outlines unfunded liabilities and solvency deficiencies.

Table 8

Unfunded Liabilities and Solvency Deficiencies by Plan Type for Active and Pending Plans as of June 30, 2006

UNFUNDED LIABILITIES

Type of Plan	No. of Plans	Active Members	Total Unfunded Liability	Average Per Plan	Average Per Member
Defined Benefit Provision	105	51,118	$1,290,279,840	$12,288,379	$25,241
SMEPPs	10	30,097	$155,125,436	$15,512,544	$5,154
TOTAL	**115**	**81,215**	**$1,445,405,276**	**$12,568,742**	**$17,797**

SOLVENCY DEFICIENCIES

Type of Plan	No. of Plans	Active Members	Total Solvency Deficiency	Average Per Plan	Average Per Member
Defined Benefit Provision	107	63,129	$2,022,413,589	$18,901,062	$32,036
SMEPPs	14	29,597	$530,856,283	$37,918,306	$17,936
TOTAL	**121**	**92,726**	**$2,553,269,872**	**$21,101,404**	**$27,536**

Assets In Excess of Liabilities

Going-Concern

- 105 plans with defined benefit provisions, covering a total of 43,756 members, had plan assets in excess of their plan liabilities on a going-concern basis.
- 11 SMEPPs, covering a total of 18,123 members, had plan assets in excess of their plan liabilities on a going-concern basis.

Solvency

- 90 plans with defined benefit provisions, covering a total of 31,511 members, had plan assets in excess of their plan liabilities on a solvency basis.
- 7 SMEPPs, covering a total of 18,561 members, had plan assets in excess of their plan liabilities on a solvency basis.

Table 9 provides further information on plans with excess assets on either a going-concern or solvency basis.

Table 9

Assets in Excess of Liabilities by Plan Type for Active and Pending Plans as of June 30, 2006

Type of Plan	No. of Plans		Total Assets Exceeding Liabilities		Average Per Plan	
	Going Concern	Solvency	Going Concern	Solvency	Going Concern	Solvency
Defined Benefit Provision	105	90	$648,180,084	$878,970,162	$6,173,144	$9,766,335
SMEPPs	11	7	$95,215,803	$117,303,580	$8,655,982	$16,757,654
TOTAL	**116**	**97**	**$743,395,887**	**$996,273,742**	**$6,408,585**	**$10,270,863**

Funded and Solvency Ratios

Graph 6 demonstrates the funded and solvency ratios of pension plans with defined benefit provisions. Graph 7 highlights these ratios for SMEPPs.

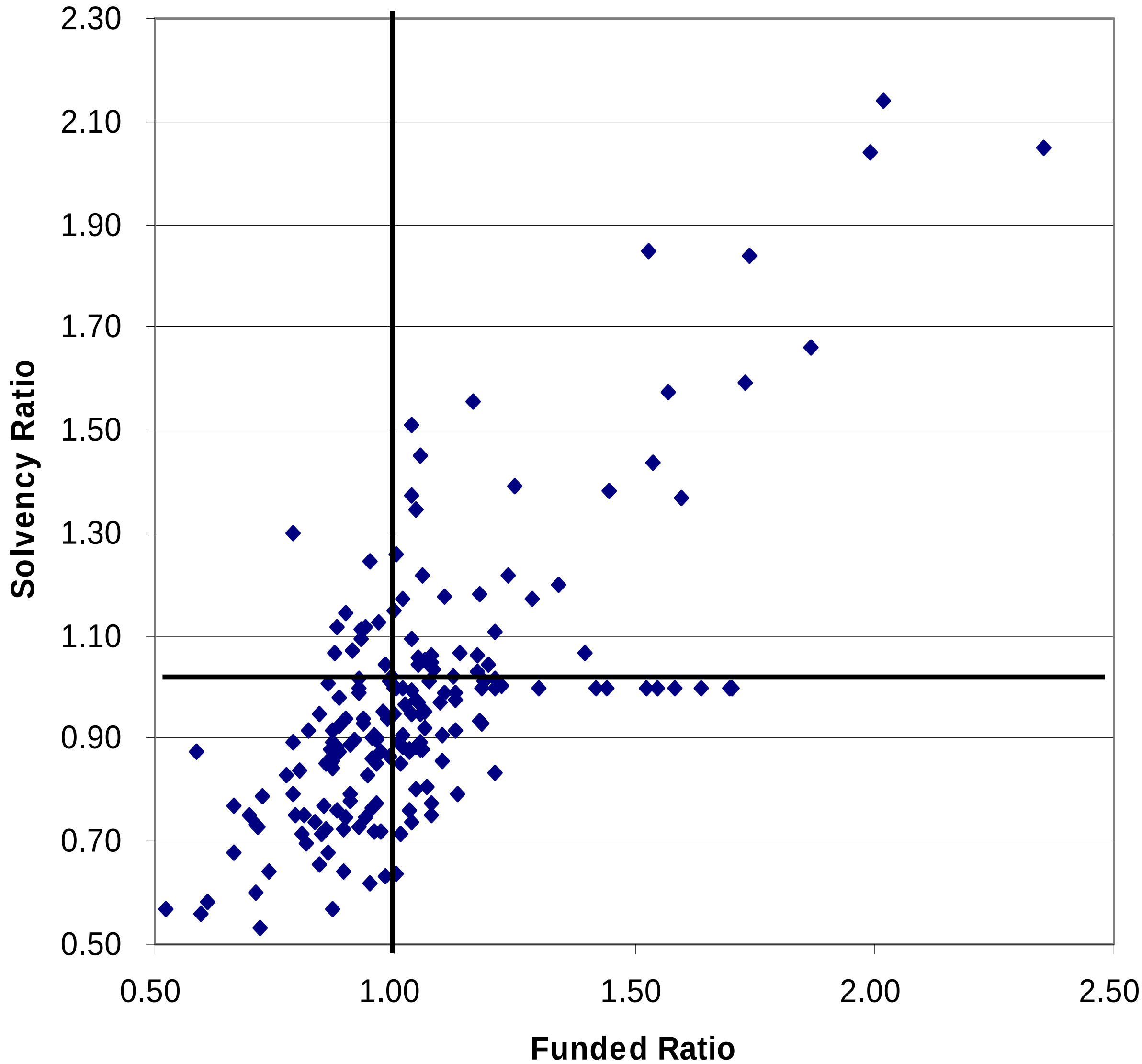
Funded Ratio

- Of the plans with defined benefits:
  - 50 percent had a funded ratio of 1.0 or better;
  - 34.7 percent had a funded ratio between 0.85 and 1.0; and,
  - 15.3 percent had a funded ratio of less than 0.85.
- Of the SMEPPs reported on:
  - 52.4 percent had a funded ratio of 1.0 or better;
  - 47.6 percent had a funded ratio between 0.85 and 1.0; and,
  - 0 percent had a funded ratio of 0.85 or less.

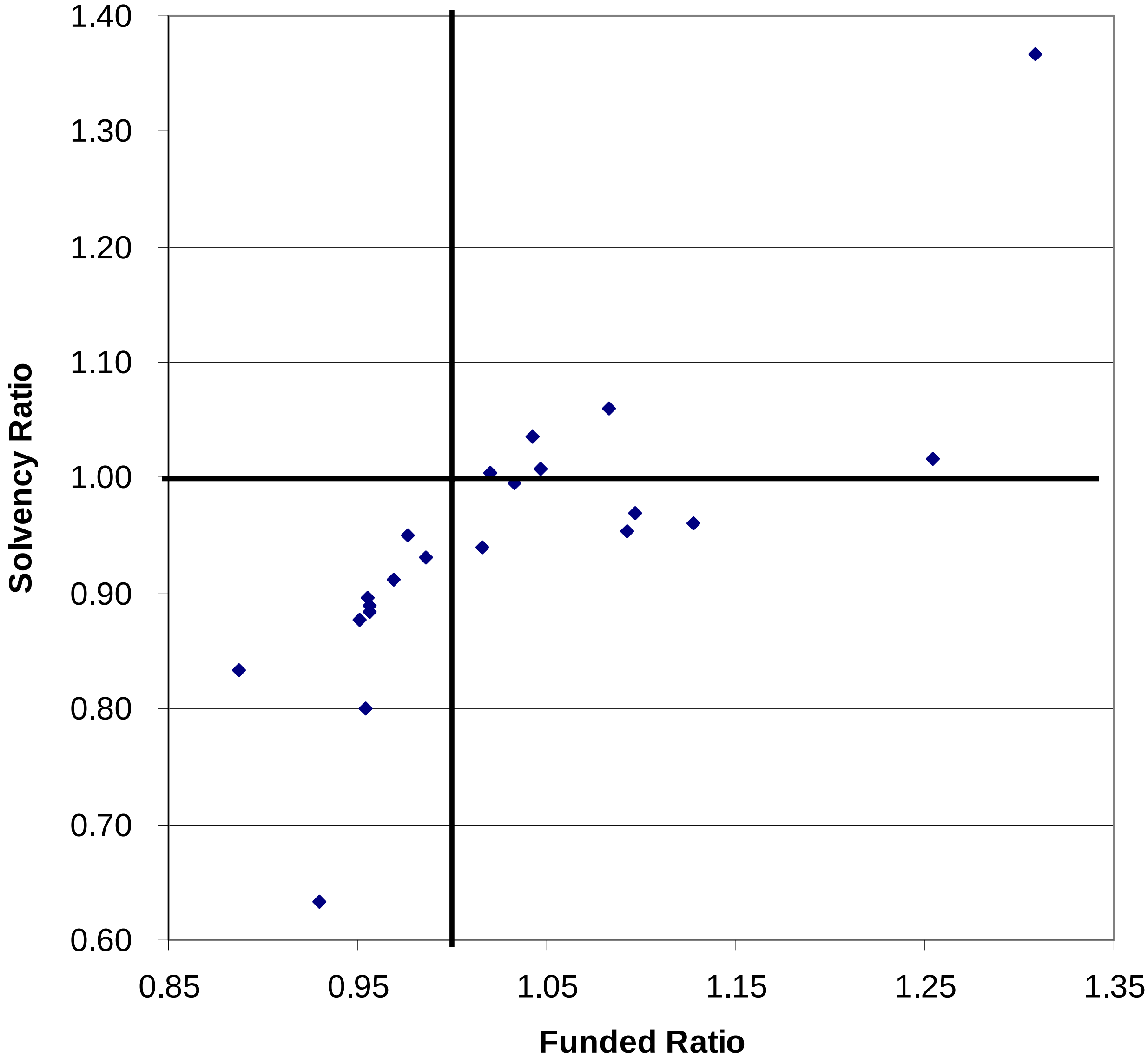
Solvency Ratio

- Of the plans with defined benefits reported on:
  - 40.2 percent had a solvency ratio of 1.0 or better;
  - 32.5 percent had a solvency ratio between 0.85 and 1.0; and,
  - 27.3 percent had a solvency ratio of less than 0.85.
- Of the SMEPPs reported on:
  - 28.6 percent had a solvency ratio of 1.0 or better;
  - 57.1 percent had a solvency ratio between 0.85 and 1.0; and,
  - 14.3 percent had a solvency ratio of 0.85 or less.

Graph 6
Funded Ratio vs Solvency Ratio of Plans with Defined Benefit Provisions as at June 30, 2006



Graph 7
Funded Ratio vs. Solvency Ratio
for SMEPPs as at June 30, 2006



Actuarial Assumptions

Value of Assets

Market value of plan assets was the most popular method for determining the actuarial value of the assets of a pension plan.

- The majority of plans, or 68.1 percent, used market value; another 30.6 percent used an average/adjusted market value.
- The remaining 1.3 percent of plans used book value or adjusted book, a blend of book and market value, or used other methods for valuing the actuarial value of assets of the pension plan.

Table 10 summarizes utilized values by plan type.

Table 10

Utilized Value of Assets for Active and Pending Plans as of June 30, 2006

	Defined Benefit Provision	SMEPP
Book	1	0
Adjusted Book	1	0
Market	150	10
Adjusted / Average Market	61	11
Blend of Book and Market	1	0
Other	0	0
Total	**214**	**21**

Mortality Tables and Withdrawal Rates

Defined Benefit Provisions

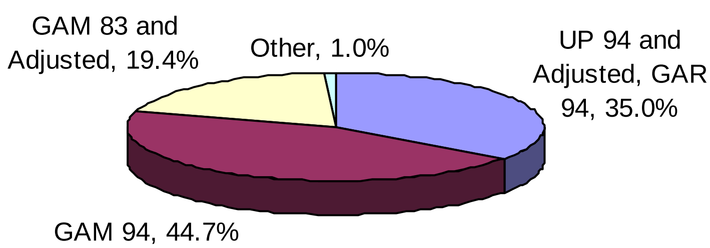
The 1994 Group Annuity Mortality (GAM) Table was used by 44.7 percent of pension plans with defined benefit provisions. Approximately 1.0 percent of the plans surveyed used either true sample mortality or other mortality tables.

SMEPPs

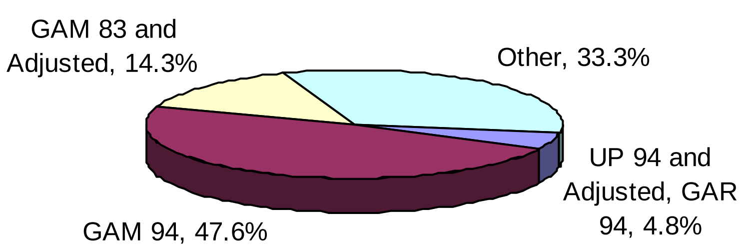
The 1994 Group Annuity Mortality (GAM) Table was used by 47.6 percent of SMEPPs. Approximately 33.3 percent of the plans surveyed used either true sample mortality or other mortality tables.

Graphs 8 A and B summarize mortality tables used in defined benefit pension plans.

Graph 8-A
Mortality Tables Used as of June 30, 2006
for Plans with DB Provisions

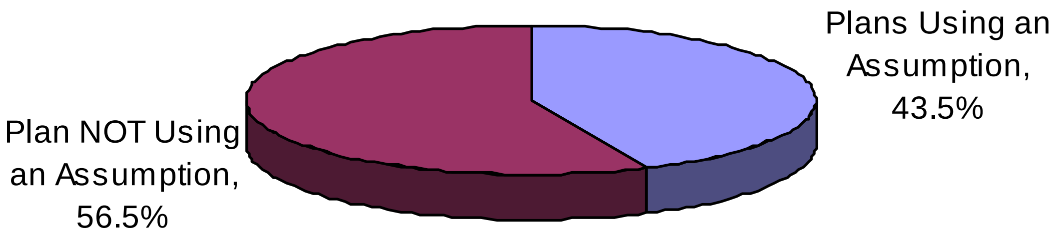


Graph 8-B
Mortality Tables Used as of June 30, 2006
for SMEPPs



The number of plans not using a withdrawal assumption was 56.5 percent. Graph 9 shows the withdrawal rate assumptions.

Graph 9
Plans Using a Withdrawal Assumption
as of June 30, 2006



Interest Rates and Salary Assumptions

Interest Assumptions

- A long-term interest assumption of between 6.0 percent and 7.0 percent was used by 74.8 percent of plans as shown by Table 11. There were no plans using an interest rate assumption greater than 7.5 percent.

Table 11

Interest Assumptions Used for Active and Pending Plans as of June 30, 2006

Rate (%)	Defined Benefit Pension Plans	SMEPPs
7.75 or over	0	0
7.50	27	2
7.25	1	0
7.00	37	2
6.75	19	3
6.50	57	2
6.25	13	3
6.00	27	6
5.75	6	1
5.50	6	0
5.25 or less	12	2
TOTAL[1]	**205**	**21**

1 = A total of 9 cost certificates were associated with individual pension plans (IPPs). The current interest rate assumption for these plans were not available at the time this report was produced.

Salary Assumptions

- A total of 157 pension plans with defined benefit provisions used a salary escalation assumption as shown in Table 12.
  - The salary escalation assumption is the sum of the indicated inflation, productivity, and merit assumptions.
- This table demonstrates only those plans indicating a salary escalation assumption.

Table 12

Salary Escalation Assumptions Used for Plans as of June 30, 2006

Rate (%)	Defined Benefit Provisions
7.0 or over	1
6.50	1
6.00	2
5.50	30
5.25	1
5.00	14
4.75	3
4.50	21
4.25	5
4.00	36
3.75	5
3.50	25
3.0 or less	13
TOTAL[1]	**157**

Salary – Interest Differential Assumptions

- Table 13 demonstrates the amount by which the interest assumption exceeded the salary escalation assumption in defined benefit pension plans that used a salary escalation assumption.

Table 13

Percentage Difference between Interest and Salary Escalation Assumptions Used for Plans as of June 30, 2006

Rate (%)	No. of Plans
3.75 or more	6
3.50	11
3.25	1
3.00	11
2.75	12
2.50	34
2.25	9
2.00	37
1.75	10
1.50	10
1.00	11
0.50	1
0.00	1
-0.50	1
-1.00 or under	2
TOTAL	**157**

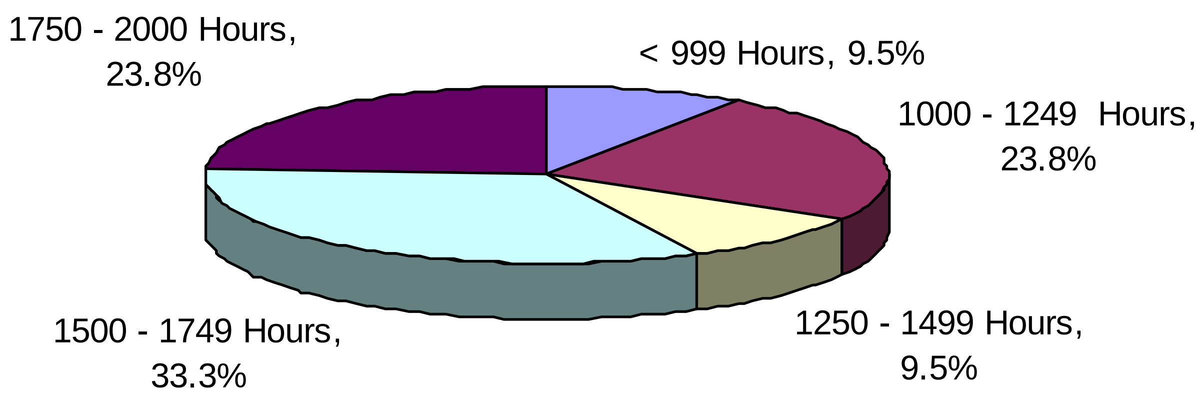
Hours Worked Assumptions

The final assumption surveyed was average hours worked by a member in a plan year, which applies only to SMEPPs with defined benefit provisions.

- Average assumed hours worked were 1,457 per year per plan member.

Graph 10 shows a breakdown of the hours worked assumption used by plans and number of active members assumed by the actuary in completing the valuation report.

Graph 10
Hours of Work Assumption Per Member
For SMEPPs as at June 30, 2006



Section 3 – Financial Hardship Access

Financial Hardship Unlocking

Effective May 14, 2003, individuals possessing Locked-In Retirement Accounts, Life Income Funds, and Locked-in Retirement Income Funds locked in under the EPPA were permitted to access some of the funds in the locked-in products in cases of financial hardship. In order to gain access to locked-in funds, individuals must apply to the Superintendent. Applicants must demonstrate that they qualify under at least one of eight potential situations of financial hardship.

The Superintendent's Office reviewed a total of 1,977 applications between April 1, 2005 and June 30, 2006. Applicants applied for a total of $26,198,491.63 and the Superintendent's Office consented to the release of $13,916,186.81 for an average of $7,039.04 per application.

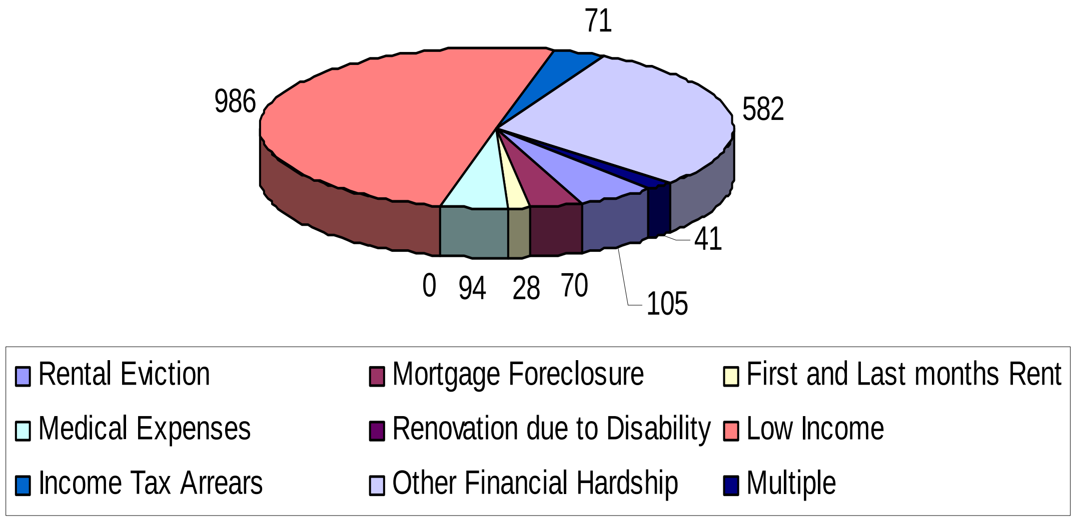
Table 14 illustrates the number of applications per reason of financial hardship, as well as the average amounts released per application. Graph 11 illustrates the applications received per reason.

Table 14

Funds Released from Locked-in Accounts under the Financial Hardship Program during the period April 1, 2005 to June 30, 2006

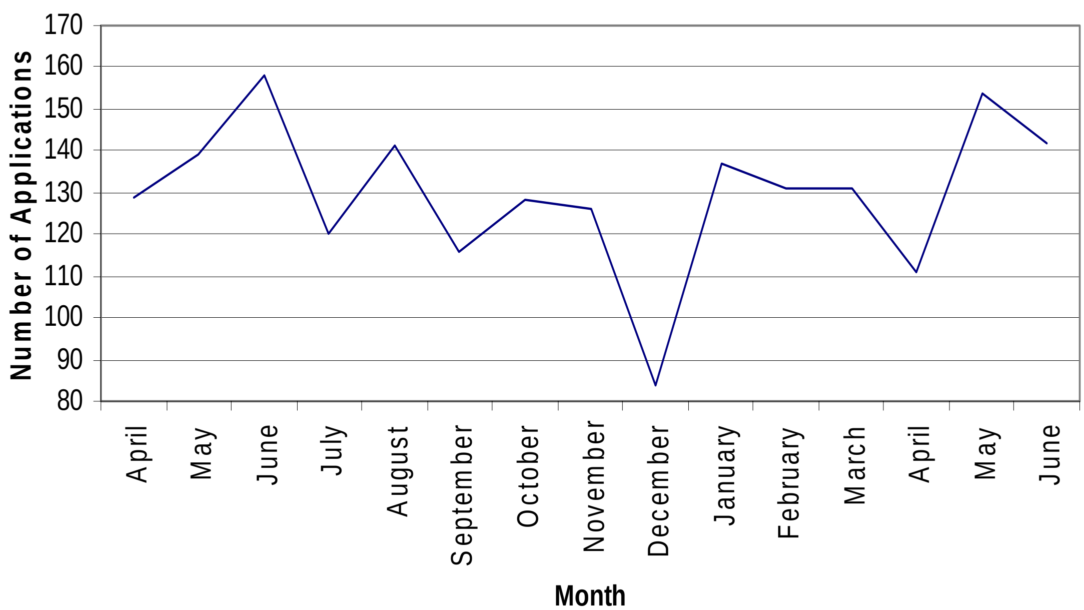
Reason of Financial Hardship	Number of Applications	Dollar Value of Funds Released	Average Release per Application
Rental Eviction	105	$682,106.00	$6,496.25
Mortgage Foreclosure	70	$711,978.63	$10,171.12
First and Last Months' Rent	28	$107,600.63	$3,842.88
Medical Expenses	94	$483,226.18	$5,140.70
Renovation due to Disability	0	$0.00	$0.00
Low Income	986	$8,283,760.62	$8,401.38
Income Tax Arrears	71	$695,097.70	$9,790.11
Other Financial Hardship	582	$2,862,184.00	$4,917.84
Multiple Reasons on one Application Form	41	$90,233.05	$2,200.81
Total	**1,977**	**$13,916,186.81**	**$7,039.04**

Graph 11
Applications Under the Financial Hardship Program
April 1, 2005 - June 30, 2006

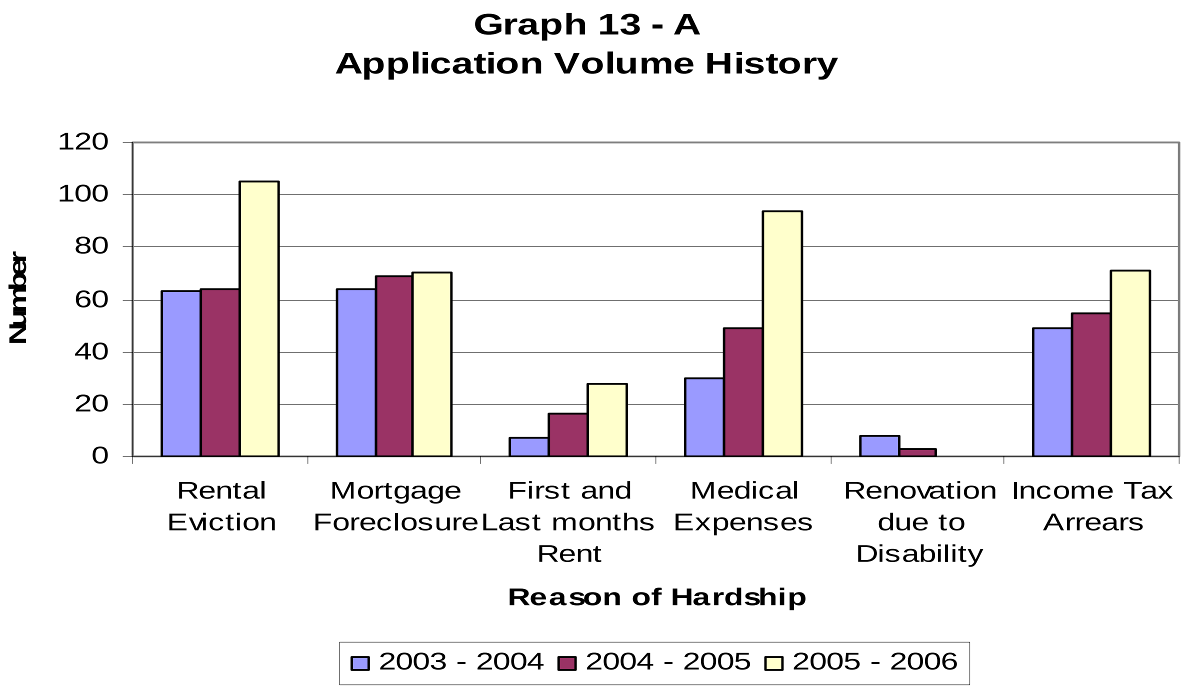


Graph 12 illustrates the number of financial hardship applications received per month over the period from April 2005 to June 2006.

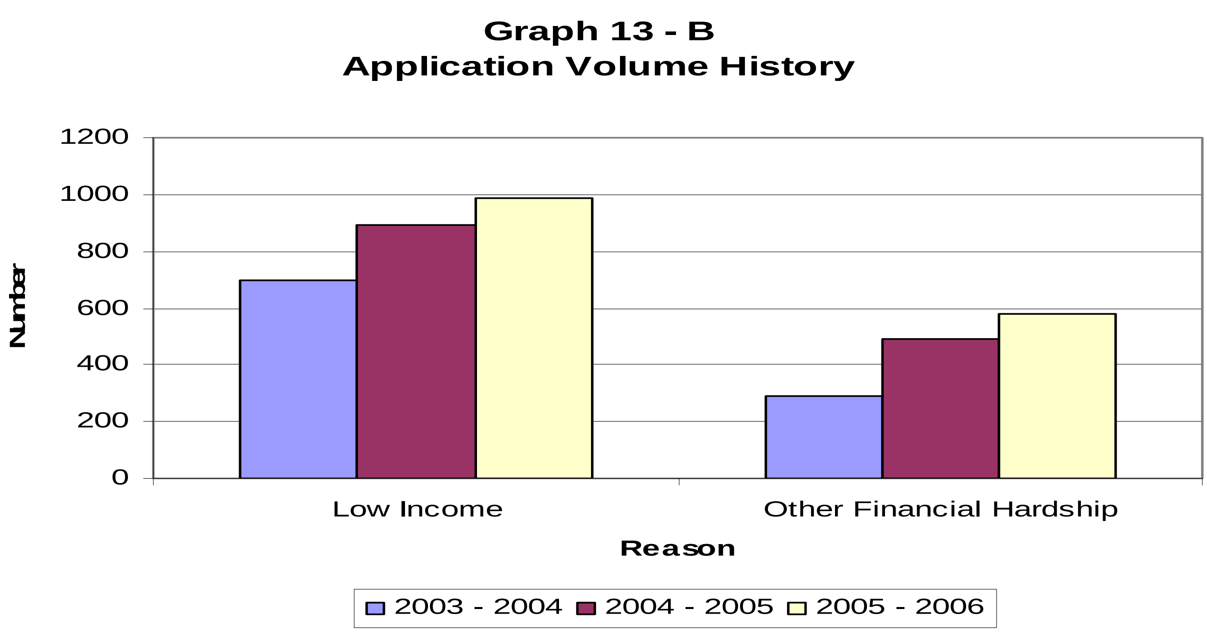
Graph 12
Financial Hardship Applications
Received by Month



Graphs 13 A and B illustrate the number of financial hardship applications received per fiscal year since the inception of the program. Graphs 13 A and 13 B are separated because the volume of applications related to the reasons of Low Income and Other Financial Hardship are significantly larger than the other 6 reasons of hardship.



(2005 – 2006 covers 15 months)



(2005 – 2006 covers 15 months)