



March 13, 2020

**TO: REGIONAL VICE PRESIDENTS
BRANCHES & FACILITIES**

Taking Your Commuted Value

Recently, the Canadian Institute of Actuaries released new rules changing the way commuted values (CV's) are calculated. Most financial experts appear to be in agreement that the changes will reduce CV amounts under current market conditions.. The new rules are scheduled to be implemented on August 1, 2020.

CATCA has engaged pension experts and sought legal advice on this issue. Unfortunately, at this point, there are a lot of unanswered questions. A legal opinion received from a pension expert at a very large Canadian law firm indicates NAV Canada must invoke the changes by law. Shortly after receiving that opinion, we have learned the changes may be delayed by the Canadian Institute of Actuaries again leaving more questions than answers.

It is CATCA's opinion that NAV Canada has a responsibility to provide accurate information on CV's when requested by employees. NAV Canada should provide an accurate CV value for July 31, and what the difference would be August 1 if changes are implemented thereby allowing members to make informed decisions. We are working with NAV Canada to ensure that information is provided to members.

CATCA does not provide financial advice, nor do we provide advice on taking the commuted value of your pension. However, CATCA is aware that many members are currently considering taking their CV and as such, we feel it prudent to inform members of changes currently proposed to come into effect August 1, 2020.

This is provided as information only and we will update it when more accurate information is available. Any member concerned about potential reduction in commuted value amounts should seek advice from a financial professional well versed in this area. We will continue to work with NAV Canada to ensure accurate information is presented to members when requested, but with so many unknowns at this time and what may be a large increase in CV calculation requests, it will take time to resolve.

On Behalf of the Executive Board;

Peter Duffey
President

Doug Best
Executive Vice President

THE VOICE OF CANADA'S AIR TRAFFIC CONTROLLERS | LA VOIX DES CONTRÔLEURS AÉRIENS DU CANADA