

December 5, 2011

Adjustment to Desjardins Group Pension Plan (DGPP) Contributions

On November 9, 2011, the Desjardins Group Board of Directors approved an increase in the DGPP contribution rate for 2012. The increase was necessary given the impact of the financial market downturn and persistent low interest rates. This measure is intended to ensure the long-term financial stability of the DGPP for the benefit of all Desjardins Group employees and retirees.

Solutions proposed in recent years to strengthen and consolidate the financial soundness of the plan have had to be updated. Additional annual special payments of approximately \$60 million are planned beginning January 1, 2012. These extra contributions are equivalent to a contribution increase of 1% of salary for employees and 1.85% of salaries for the employer. Effective January 1, 2012, the contribution formula for employees will be as follows:

7.45% of salary up to 65% of maximum pensionable earnings (MPE) (65% of MPE of \$50,100 = \$32,565 in 2012)
+
10.85% of salary in excess of 65% of MPE

The employer contribution corresponds to 1.85 times the employee contribution, based on the above formula.

The following table presents the impact on contributions of the change made to the contribution rate for the various salary levels before and after tax.

Salary earned	Gross variation	Net variation	Weekly net variation in \$
\$20,000	\$200	\$143	\$2.75
\$30,000	\$300	\$214	\$4.12
\$40,000	\$400	\$286	\$5.50
\$50,000	\$500	\$308	\$5.92
\$60,000	\$600	\$370	\$7.12
\$80,000	\$800	\$493	\$9.48
\$100,000	\$1,000	\$543	\$10.44

This new measure, combined with other initiatives implemented in recent years, improves the financial stability of the DGPP, decreases the risks it faces and should enable the plan to more quickly achieve a fully funded position on a going-concern basis, while limiting the requirement of new contributions from both employers and employees.

In addition, it will be necessary to analyse and revise the plan's benefits and to consider various initiatives to strengthen long-term status of our pension plan. A communication strategy will be implemented continuously to inform managers and employees of future developments.

Since its creation 33 years ago, the DGPP has evolved to adapt to the new realities of the market, notably for financial considerations, in order to meet Desjardins Group's workforce needs and ensure the financial security of our employees and retirees.

For any additional information or for assistance, please contact the DGPP Member Services team at 1-866-434-3166.

From the Total Compensation and Work Relations Division
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