

PENSION & BENEFITS COMMITTEE 2023 Report to the Community

This report provides an overview of issues addressed by the Pension & Benefits Committee for the calendar year (1 January 2023 – 31 December 2023). Further information on any of these topics may be obtained by contacting the Secretariat or by visiting the [committee webpage](#).

A. The Committee and its Members

The Pension & Benefits Committee (Committee) is a standing committee of the Board of Governors (Board) responsible for overseeing the University's employee pension plans, health care and dental plans, sick leave benefits, long-term disability benefit, and life insurance benefit (Plans). The Committee consists of representatives from the University's employee groups, administration, the Board, retirees, and affiliated and federated institutions of Waterloo. The Committee meets regularly (eight meetings during the calendar year). Meetings are open to the University community and agendas and minutes are available on the Committee's [webpage](#). The Committee monitors the health and oversees the administration of the Plans. Changes and improvements to the Plans are developed by the committee with support from staff and external consultants, and recommended to the Board for approval.

The Committee annually participates in governance activities related to Committee orientation, development of priorities for the next governance cycle and engages in a committee self-assessment.

B. Benefits

GreenShield. The Committee received regular reports on the implementation of GreenShield throughout the year to ensure that the transition from Canada Life to GreenShield was as smooth as possible. The Committee also received a presentation from GreenShield with respect to various aspects of the benefits program.

The Committee recommended to the Board, which subsequently approved, the Family Building Benefit item, which revises coverage for in vitro fertilization treatments by removing exhaustion of the provincial coverage requirement; removing two-cycle limit for coverage (while maintaining \$30,000 maximum); and, extending eligibility to individuals who are acting as surrogates for members of the benefit plan.

Homewood Health. The Committee approved a new contract with Homewood Health to deliver the Employee and Family Assistance Program (EFAP) services after the EAP Committee and others from administration and participating Affiliated and Federated Institutions of Waterloo (AFIW) undertook a formal RFP process.

Annual Work Plan Items. In accordance with the annual work plan for the committee, the committee:

- Received reports on the benefits plan utilization rates and approved associated premium/budget rates; and
- Reviewed and approved a number of other items that occur annually according to plan provisions e.g. indexation of extended health and dental benefits maxima, life insurance for future retirees.

C. Pension

January 1, 2023 Actuarial Valuation and Filing. An actuarial valuation report is required to be filed at least every three years; notwithstanding this, a valuation is completed on an annual basis for the purposes of assisting with planning and the University's budgeting. The most recent actuarial valuation was filed as of January 1, 2023.

P&B receives a presentation from the pension actuary annually on the actuarial valuation of the Registered Plan and based on this information makes recommendations including on the funding guideline and policy and filing

the actuarial valuation with the pension regulator. The University continues to make additional contributions to the Registered Plan in order to achieve funding sustainability and lower contribution volatility.

Pension Projection Tool. The Committee approved amendments to the pension projection tool and language on the tool to provide for worst case scenario calculations when calculating early retirement.

Pension Investment Committee. The Committee received quarterly reports from the Pension Investment Committee (PIC) on pension fund investments, meetings with investment managers and other activities of PIC. The Committee recommended to the Board, which subsequently approved, a suite of changes to the Terms of Reference of the Pension Investment Committee, Pension & Benefits Committee, and Finance and Investment Committee to harmonize language and responsibilities. The Committee further recommended and the Board approved changes to the SIPP (Statement of Investment Policies and Procedures) and FIP (Fund Implementation Procedures), which included both strategic and compliance related changes. An annual review of the RIP (Responsible Investment Policy) was also undertaken.

Education and Monitoring. The Committee received regular reports from the consulting actuary on legislative and policy changes anticipated and in force that impact public sector pensions, as well as changes implemented by other public sector pension plans. The Committee discussed implications for the University's pension plans and takes said information into account when making decisions on matters including plan design, funding and administration. The Committee received a series of education sessions, delivered by Aon, with respect to the University Pension Plan (UPP), and continues its education on this matter.

Annual Work Plan Items. In addition to the above, the committee:

- Reviewed and approved the audited pension fund financial statements for filing and that no adjustments to the financial statements were needed due to the audit;
- Reviewed and approved COLA increases to pensionable earnings of pensions in pay; individuals on long-term disability for the purpose of calculating pension entitlements, and to eligible deferred pensions;
- Reviewed the Carbon Disclosure report as it relates to the University's pension investments; and,
- Provided oversight to a number of other items that occur annually according to plan provisions, e.g. maximum annual contribution for pensions.

We would appreciate your feedback on this report. If you have any suggestions, for example, on content, timing or format, please send them to the [Committee secretary](#).

March 15, 2024