

**University of Waterloo**  
**Board of Governors**  
**PENSION & BENEFITS COMMITTEE**  
**Minutes of the 16 June 2017 Meeting**

**Present:** Ted Bleaney, Monika Bothwell, Stewart Forrest, Mike Grivicic (secretary), Mary Hardy, Dennis Huber, Ranjini Jha, David Kibble, Alan Macnaughton, Michael Steinmann, Mary Thompson, Marilyn Thompson (chair)

**Regrets:** Kathy Bardswick, Ian Orchard

**Consultants:** Linda Byron, Allan Shapira

**Administration:** Sarah Hadley, Sue McGrath

**Guests:** Jackie Serviss

**Organization of Meeting:** Marilyn Thompson took the chair and Mike Grivicic acted as secretary. The secretary advised that a quorum was present. The agenda was approved without a formal motion. The chair welcomed Ted Bleaney as a new member of the committee.

**1. APPROVAL OF THE MINUTES OF 19 MAY 2017 MINUTES (OPEN SESSION) AND BUSINESS ARISING**

A motion was heard to approve the minutes as distributed. Kibble and Macnaughton. Carried. There was no business arising from the minutes.

**a. Copy of PowerPoint Presentation re: Disability Management During Sick Leave.** Members reviewed the presentation and observed that the scaling on some slides may visually exaggerate the differences seen.

**2. EXECUTION AGAINST THE WORK PLAN**

This item was received for information.

**3. UPDATE ON GOVERNMENT PENSION PLAN INITIATIVES**

Shapira noted the 19 May announcement regarding solvency and going concern funding, and observed that plans already in solvency relief will proceed in the current course. Members clarified that transition rules likely provide an extra year in the relief process. Regarding the work on a joint sector pension plan, an agreement may be close.

**4. PRESENTATION RE: SOLVENCY FUNDING RELIEF**

Shapira observed: a decision on specific courses of action re: solvency funding options does not need to be made along with the application, and those decisions can be made later in the year; plan funding to minimum funding standard vs. deciding on plan funding that would be most appropriate. Members discussed: negative impact when including indexation for solvency calculation; sensitivity to discount rate is significant; will have better idea of solvency rules in the fall and will be able to consider along with CPP considerations; view of the consultant is that calculations serve as tests to ensure assets will be available when needed; experience with wind ups in other jurisdictions e.g. UK, and some plans in Ontario may need to wind up if the JSPP does not come to fruition; any significant changes to plan funding should be considered well ahead of the next budget process, with consultations; ongoing status of plan contributions and demographic changes may make it difficult to model options. Shapira indicated that Aon would examine the projections and asset mix in light of the proposed solvency options.

**5. DRAFT APPLICATION FOR STAGE 2 SOLVENCY FUNDING RELIEF**

Members discussed: stage 3 options are for plans that are exiting stage 2, and does not apply to Waterloo; unclear how the government intends to transition plans from one set of rules to the next; preferable to focus on appropriate funding vs. anticipation of stage 3 funding relief; the bargaining agents for each employee constituency will receive a copy of the funding application, and retired members will be notified. A motion was heard to recommend the filing of the actuarial valuation report as at 1 January 2017 with the Financial Services Commission of Ontario (FSCO) and the Canada Revenue Agency (CRA), with election of the specific solvency options to occur in fall 2017. Huber and Forrest. Carried unanimously. Members requested a report at the September meeting re: follow-up activity and communications to groups as described.

**6. INVESTMENT FUND PERFORMANCE REPORTS FROM AON**

Huber spoke to the document and noted: rates of return are net of fees; a group is currently examining the model for investment governance and is examining potential revisions to the model; the Finance & Investment Committee is also apprised of investment performance; investment fees are approximately 26 basis points. Members directed that the full report from Aon be circulated to the committee after the meeting.

**7. BOARD-APPROVED 2017-18 OPERATING BUDGET**

Huber noted the projected \$2.9 million deficit and observed that the provost committed that this will be wiped out.

**8. OTHER BUSINESS**

There was no other business.

**9. PROCEED INTO CONFIDENTIAL SESSION**

With no additional business in open session, the committee proceeded into confidential session.

**NEXT MEETING**

The next meeting is on Friday 8 September 2017 from 9:30 a.m. – 12:00 p.m. in Needles Hall Room 3318.

5 September 2017

Mike Grivicic  
Assistant University Secretary