

PENSION & BENEFITS COMMITTEE

AGENDA

FRIDAY, 13 October 2023

9:30 a.m.-12:00 p.m. EST

NH 3318

[Governing Documents and Resources](#)

TIMING	AGENDA ITEM	PAGE	ACTION
	OPEN SESSION		
10:00 a.m.	5. Agenda/Additional Agenda items	Oral	Decision
10:05 a.m.	6. Minutes of the 15 September 2023 Meeting (Open Session) and Business Arising	11	Decision
10:10 a.m.	7. Execution Against Work Plan [Willey-Thomas]	14	Information
10:15 a.m.	8. Report from Pension Investment Committee [Basdeo]	Oral	Information
	Benefits		

If you require assistance or need to convey regrets, please contact the Secretariat at board@uwaterloo.ca.

TIMING	AGENDA ITEM	PAGE	ACTION
10:25 a.m.	9. GreenShield Experience Dashboard [Hollis]	16	Information
10:30 a.m.	10. Family Building Benefit and Transition [Reitsma & Hollis]	20	Decision
11:00 a.m.	Pension 11. Projection Tool – revisions for early retirement estimates [McGrath]	22	Information/Decision
11:10 a.m.	12. UPP Review [Shapira]	23	Information
11:55 a.m.	13. Other Business	Oral	Input
12:00 p.m.	14. Adjournment	Oral	Input
	*to be distributed. **distributed separately.		

6 October 2023

Sarah Willey-Thomas
Associate University Secretary

UPCOMING COMMITTEE MEETINGS	
8 November 2023	Pension Investment Committee
17 November 2023	Pension & Benefits Committee
8 December 2023	Pension & Benefits Committee

If you require assistance or need to convey regrets, please contact the Secretariat at board@uwaterloo.ca.

**University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 15 September 2023 Meeting**

Present: Teresa Fortney, James Rush, Jacinda Reitsma, Michelle Hollis, James Thompson, Elizabeth Demers, David Saunders, Lily Hua, David Taylor

Regrets: Sarah Hadley, Sara Cressman

Absent: Agata Jagielska, William Povelofskie

Resources/Guests: Sarah Willey-Thomas (secretary), Michelle St-Amour, Lee Hornberger, Tyler Wendland, Scott Palmer, Melanie Figueiredo, Lynda Byron, Allan Shapira, Graham Murphy, Ranjini Jha, Stephanie Walker, Holly Vincent, Carolyn Christie, Ned Pojsick

Organization of Meeting: Teresa Fortney took the chair, and Sarah Willey-Thomas acted as secretary. The secretary advised that a quorum was present. The agenda was accepted as distributed.

OPEN SESSION

1. AGENDA/ADDITIONAL AGENDA ITEMS

The agenda was reviewed by the Committee.

Taylor and Hollis.

That the agenda for the 15 September 2023 meeting be approved as presented. Carried.

2. MINUTES OF THE 16 JUNE MEETING (Open Session) AND BUSINESS ARISING

Members provided corrections to the minutes which were noted by the Secretary.

Taylor and Saunders.

That the open session minutes of the June 16, 2023 meeting of the Pension & Benefits Committee be approved, as amended.

CARRIED

3. EXECUTION AGAINST THE WORKPLAN

Sarah Willey-Thomas provided an update on the workplan, and advised the committee that Secretariat staff are currently in the process of refreshing all committee workplans with branding.

4. PENSION & BENEFITS COMMITTEE ORIENTATION

Teresa Fortney, Tyler Wendland, Jacinda Reitsma, Lee Hornberger and Sarah Willey-Thomas presented the orientation slide deck and responded to questions from members.

5. HUMAN RESOURCES UPDATE

a. Proposed Annual Non-Pension Benefits Plan Design Review (timing and process) – include items of interest such as Gender Affirmation benefit

Reitsma proposed instituting an annual review process at a future meeting whereby all proposed benefit changes coming forward on an annual basis to understand the financial impacts of the changes.

b. GreenShield Experience Dashboard

Hornberger provided an overview and advised that the online service portal has reached the target of 70% user registration.

Stephanie Walker, Holly Vincent, Carolyn Christie and Ned Pojskic joined the meeting.

c. Pharmacy Benefit Management – GreenShield presentation including formulary management, compound policy, off-label drug usage

GreenShield representatives Stephanie Walker, Holly Vincent, Carolyn Christie and Ned Pojskic appeared before the committee and provided a presentation regarding the current benefit plan structure offered through GreenShield. A copy of the presentation was included as part of the agenda package. In response to questions and concerns raised by the Committee, GreenShield provided the following:

- GreenShield will provide a link to the contact Centre which provides information about the compound policy and what is eligible or ineligible under the compound policy.
- Confirmed that members who were receiving compound coverage under Canada Life were grandfathered under the new GreenShield policy.
- Clarifications on the use of indications on drug prescriptions.
- GreenShield will conduct further investigation into denied claims for compounded medications, and will provide more information on “off-label” use of Flonase.
- GreenShield is undertaking a review of its compounding policy and results of the review will be provided in an update to the Committee upon completion of the policy review.
 - Information will also be provided regarding the approximate timeline of the review process

d. Family Building Benefit – GreenShield presentation including coverage parameter and administration process

GreenShield provided a second presentation regarding the Family Building Benefit offered by GreenShield. A copy of the presentation was included as part of the agenda package.

In response to questions from the Committee, resource staff confirmed that the Family Planning Benefit will be presented to the Board of Governors at the October 31st meeting for approval.

The Committee further discussed the transition plan between our current policy and the proposed Family Planning Benefit and that the adoption component of the proposed benefit requires further consideration by the Committee.

Gen Gauthier-Chalifour left the meeting.

Stephanie Walker, Holly Vincent, Carolyn Christie and Ned Pojskic left the meeting.

e. Pension projection tool – early retirement actuarial reduction factor

Hornberger responded to concerns regarding the tool’s calculation, and noted language developed to accompany the tool to be added. The Committee requested that the expense of adjusting the tool be costed and that the cost would be brought back to the Committee.

Ranjini Jha and Graham Murphy joined the meeting.

6. POTENTIAL REVISIONS TO THE PENSION PLAN – CPP AND COLA

Reitsma provided an overview of the item and clarified that the presentation made at the last meeting regarding this item was for information only. Willey-Thomas also clarified that the recommended motion for this item would only receive the presentation for information, with no further instruction to pursue or explore this pension plan revision at this time.

The Committee discussed a lack of support on the proposal from faculty and FAUW; value of a process to consider any possible changes; need for consultation on any proposed changes; and typical process for making amendments to the pension plan and legislative requirements;

Reitsma/Taylor

That the Pension and Benefits Committee (the "Committee") receive the report for information, and that the COLA proposal (the "proposal") will not be pursued by the Committee.

CARRIED

7. UPP REVIEW

Due to time constraints, this item was deferred to the next Committee meeting.

8. SUMMARY OF TOTAL FUND INVESTMENT PERFORMANCE

Reitsma presented this item for information.

9. PENSION RISK MANAGEMENT DASHBOARD, Q2 2023

Lynda Byron provided an overview of this item and advised that plan is almost fully funded.

The Committee discussed the rationale for cash accounting approach as opposed to accrual accounting, and that members were looking for consistent information from quarter to quarter.

Reitsma advised that Finance staff would follow-up on this item.

Scott Palmer and Lynda Byron left the meeting.

10. OTHER BUSINESS

No other business was raised.

The Committee then moved into confidential session.

2023-2024 Pension & Benefits Committee Work Plan

Pension & Benefits Committee Agenda Items • expected *as needed/available	19 May 2023	16 June 2023	15 September 2023	13 October 2023	17 November 2023	8 December 2023	19 January 2024	16 February 2024	22 March 2024
OPEN SESSION									
Execution against Audit Committee Work Plan – Consent Agenda	▪	▪	▪	▪	▪	▪	▪	▪	▪
Minutes of the Previous Meeting – Consent Agenda				▪	▪	▪	▪	▪	▪
Budget Overview	▪								
Finance									
Previous Years’ Fees and Expenses	▪								
Annual Audit of the Pension Plan Fund Financial Statements	▪								
Carbon Metrics Reporting	▪								
Summary of Total Fund Investment Performance	▪		▪		▪			▪	
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP						▪			
Actuarial Consultants									
Pension Risk Management Dashboard (Quarterly)	▪		▪		▪			▪	
Approval of Actuarial Valuation Assumptions							▪		
RPP Actuarial Valuation, decision on filing									▪
Review of RPP Contribution and Protocol Caps						▪			
Human Resources									
Extended Health & Dental Benefits – Indexation of Maxima effective January 1					▪				
Retiree Life Insurance – Indexation of Coverage effective January 1					▪				
Annual Benefits Utilization Report					▪				
NEW: Annual Plan Design Review					▪				
Maximum Pension Limits and Caps Adjustments, Based on Average Industrial Wage Increase (AIW)						▪			
Cost of Living Adjustments <ul style="list-style-type: none"> • Pensions in Pay • Deferred Pensions • Pensionable Earnings for Members on LTD 								▪	

¹ Annual, as required

² Note Committee approved threshold

³ Completed every five years

Group Benefits Program – Annual Renewal <ul style="list-style-type: none"> Life Insurance – Premium Rate Long Term Disability <ul style="list-style-type: none"> Premium Rate Maximum Insured Salary (Indexation) Healthcare Benefits – ASO Fees/Charges Healthcare Benefits – Budget Rates 									▪
Governance									
Review of Committee Terms of Reference		▪							
Annual Report to the Community								▪	
Annual Committee Self Assessment									▪
Committee Priorities									▪
CONFIDENTIAL SESSION									
Minutes of the Previous Meeting	▪	▪	▪	▪	▪	▪	▪	▪	▪
Other Business	*	*	*	*	*	*	*	*	*
IN CAMERA SESSION									
Minutes of the Previous Meeting and Business Arising	▪	▪	▪	▪	▪	▪	▪	▪	▪
Other Business	*	*	*	*	*	*	*	*	*

Special Topics for 2023-2024 to be Scheduled:

- Pension Plan Design Changes (Integration with CPP and COLA proposal)
- Reports from Pension Investment Committee (PIC)
 - New or terminating investment managers (as the need arises)
 - Appointment of investment consultant
- Responsible Investment Policy (recommendation to Board)

For more information:

uwaterloo.ca/secretariat
board@uwaterloo.ca
 NH 3060

¹ Annual, as required

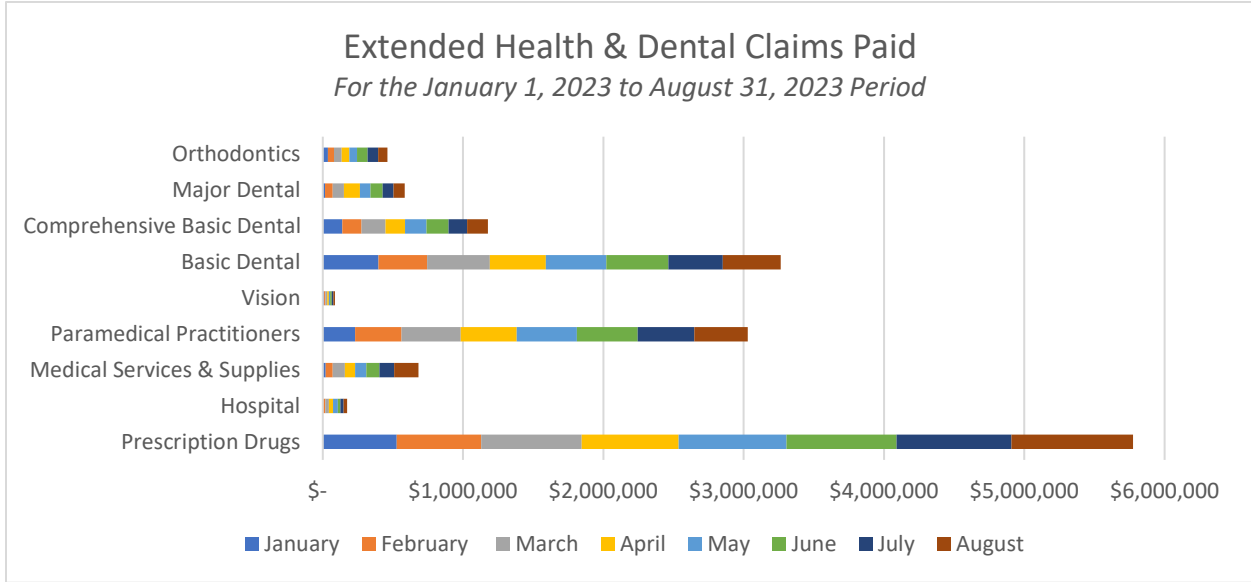
² Note Committee approved threshold

³ Completed every five years

GreenShield Experience Dashboard

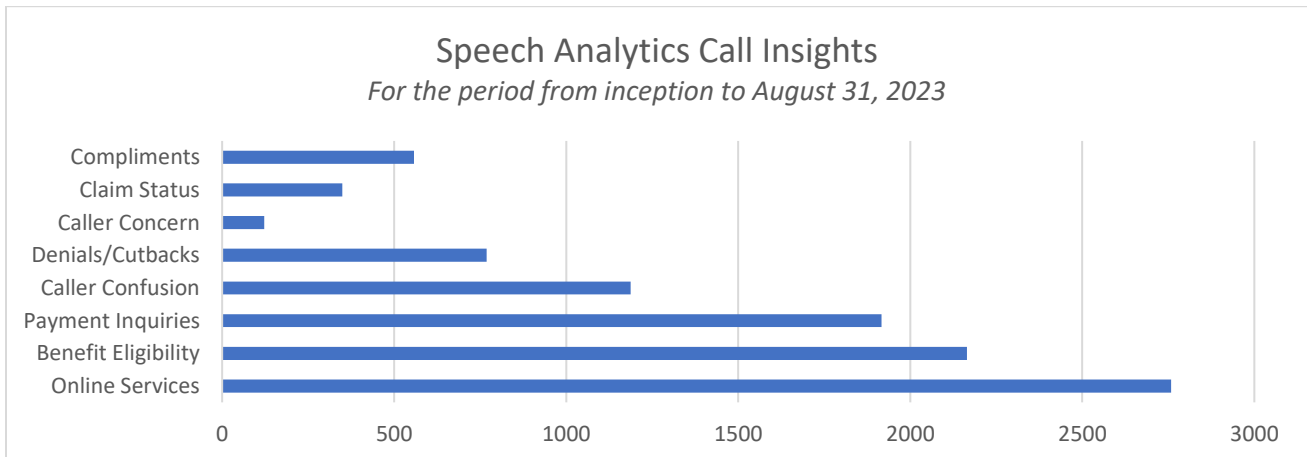
Extended Health and Dental (EHD) benefits provider effective January 1, 2023

Claims Experience. GreenShield provided expense reimbursement in the amount of \$15,230,985 for the January 1, 2023 to August 31, 2023 eight-month period; 12,766 claimants were reimbursed for 170,456 extended health expenses and 9,715 claimants were reimbursed for 66,738 dental expenses.



Online Portal. GSCeverywhere can be used to check benefits coverage, submit claims, and review claims status/history. As of October 1, 2023, there were 8,148 employees/retirees who have benefits with GreenShield. Of these, 5,759 (71%) have registered for the online portal and of these, 62% have registered for direct deposit. The target registration level of 70% (based on the previous registration level for Canada Life’s GroupNet) has been achieved.

Contact Centre. GreenShield supported 6,991 calls from inception to August 31, 2023. On average, the calls involved 336 seconds of actual talk time (does not include wait time for an agent to answer). Caller confusion was 18% in comparison with GreenShield’s aggregate of 12%-13%. Voice analytics indicates that support for online services continues to be the most frequent type of assistance required, followed by benefit eligibility and payment inquiries.



Annual Review. As we approach the first-year anniversary with GreenShield as the provider for the extended health and dental benefits, the University would like to conduct the first annual review of the plan design. The following summary is an inventory of potential changes based on feedback collected to date from members of the Pension & Benefits Committee.

Annual Review – Partial Inventory of Potential Plan Design Changes

Component	Description
Compound Medications	<p>A working group was struck early in 2023 with membership from the University (School of Pharmacy, Human Resources), Aon (Consultants, Pharmaceutical Specialist), and GreenShield (Account Management, Pharmaceutical Specialists). The report was presented at the March 2023 meeting and was supportive of the Committee’s decision to implement the Compound Policy.</p> <p>GreenShield provided more information about their compound policy within their Pharmacy Benefit Management presentation at the September 2023 meeting. GreenShield’s policy is more restrictive than the prior provider’s; the policy is under review and anticipated to provide broader coverage. Removing the compound policy is an option available with GreenShield.</p> <p>Aon indicated that they continue to be supportive of the inclusion of the compound policy and caution that there is risk associated with eliminating it. The main risk is that any compound medication submitted would be covered and there would be no safeguards in place to check for on-label, approved or proven efficacy for the compound. Additionally, it would contradict previous decisions to not provide coverage for Over the Counter (OTC) products and Natural Health Products (NHP) as the coverage for compound medication could be comprised of these elements in the absence of the compound policy.</p> <p><i>Rationale for change: TBD</i></p> <p>Additional information from GreenShield received in response to presentation at September 2023 meeting:</p> <ul style="list-style-type: none"> • Areas of expanded coverage related to the change will be communicated in Q4, with an effective date of January 1, 2024 • Current Compound Policy Link: https://www.providerconnect.ca/AdminContent/ViewPharmacyManual.aspx?ppmid=a8982996-7e0e-4366-9293-d51ccbd99ab0 • It was noted in that there may be existing claimants who had their compound drugs reimbursed through the prior carrier but were not set-up for continuation of coverage with us. Based on the confirmed implementation approach for this policy for existing claimants, these claimants should submit their proof of coverage (Explanation of Benefits or EOB) from the prior carrier so that this can be set-up on GreenShield’s system. <p>The process to have compound claims previously paid by Canada Life reimbursed is:</p> <ul style="list-style-type: none"> • <i>Members should send an email to customer.service@greenshield.ca with the following information:</i> <ul style="list-style-type: none"> ○ <i>Name</i> ○ <i>GreenShield Identification Number (WTL + employee ID)</i> ○ <i>Date of Denied Compound Claim</i>

	<ul style="list-style-type: none"> ○ <i>Proof that your compound was covered by Canada Life (you can ask your pharmacy for a duplicate receipt showing that your claim was paid by Canada Life). It is very important the receipt from the pharmacy includes a breakdown of ingredients</i> ○ <i>Indicate: Reassess/reprocess claim due to plan update effective Jan 1, 2023</i> ● <i>Once received, your claim will be reprocessed within 5 business days. Please note that future claims for this compound must also be submitted manually (uploaded through GSCeverywhere) or mailed to GreenShield for processing. If you have any questions around this process, please feel free to email or call the GreenShield Contact Centre.</i> <p><u>Customer Complaint Resolution Process</u></p> <ul style="list-style-type: none"> ● Website link to process: https://www.greenshield.ca/en-ca/about/contact-us/we-are-happy-if-you-are-happy <p><u>Denied Drugs</u></p> <ul style="list-style-type: none"> ● When drugs are denied for reimbursement as a result of not meeting the established clinical criteria, the member will receive a letter that specifically notes the criteria that was not met. The Physician/Patient Support Program can submit the missing clinical information for the denied criteria (if applicable) and one of our Pharmacists will review the new clinical information submitted to confirm if member did meet this criterion.
<p>Off-label drugs (including Flonase for adults)</p>	<p>The plan does not provide this coverage if it can be identified either through individuals' personal characteristics (e.g. age, gender) or the prior authorization process.</p> <p>Early in 2023, the P&B Committee discussed feedback from plan members concerning coverage for Flonase citing that it was covered by Canada Life but no longer covered with the transition to GreenShield. It was identified that the reason for the prescription was not for the condition approved by Health Canada for Flonase but rather for an alternate medical condition. Upon further investigation, it was identified that this issue is one of several aspects of GreenShield's claims management practices relative to prescription drug coverage: where possible, limit coverage to those prescriptions that are sanctioned by Health Canada for the indicative usage (i.e. not to provide coverage for off-label usage). GreenShield provided more information about off-label drug coverage within their Pharmacy Benefit Management presentation at the September 2023 meeting.</p> <p>Aon is unable to provide an estimated cost impact associated with allowing all off-label prescription drug usage for benefits coverage. Aon does not recommend that the program be formally changed to allow for off-label prescription drug usage for the following reasons:</p> <ul style="list-style-type: none"> - It is not illegal for physicians to prescribe drugs for an off-label use but this practice involves risk when not supported by evidence - This is not a functionality that GreenShield has formally built as an offering to clients, so if required to implement would generate significant GreenShield fees to code its system accordingly (assuming GreenShield has internal resources available to devote to this program) - GreenShield does not have any clients who have formally removed this provision; industry practice with all providers is to only reimburse prescription drug claims for their intended use - As allowing off-label use is uncommon in the industry, no data is available to estimate the cost impact to the program of this change; the cost impact to the program could be significant - The University may wish to seek legal advice as to whether or not formally opening up the plan to allow for off-label usage would generate additional legal risk

Gender Affirmation	<p>GreenShield’s standard is to provide coverage of \$10,000/lifetime (\$5,000 per claim maximum)</p> <p>Eligibility limited to those with a diagnosis of gender dysphoria. Coverage includes two categories:</p> <ul style="list-style-type: none"> ○ Foundation (1st code) – allows for all major top and bottom affirmation surgeries not covered within the patient’s home province including the following that assists in the physical alignment of the patient’s transitioned gender: tracheal shave, facial feminization, vocal surgery, laser hair removal, chest contouring/breast construction, vaginal dilators ○ Focused (2nd code) – includes surgical enhancement procedures of the patient’s features that follow their accepted gender ideal: liposuction/lipofilling, face lift, eyelid lift, nose surgery, lip/cheek fillers, hair transplant, gluteal life/implants, hair implants
Adoption	This taxable benefit coverage is a component of GreenShield’s Family Building Benefit.

Members are encouraged to consider this list and identify whether there are any additional items that have not been captured. In addition to the above list, other items of opportunity (i.e. based on feedback from members of the plans, those connected with institutional priorities, those that were not addressed through the 2021 changes from the holistic benefits review, and those to modernize elements as identified through the comparison with GreenShield’s standard provisions) should be included in the annual review for consideration. The University will consider these opportunities relative to affordability/budgetary issues and bring forward a recommendation at the November meeting.

Action Required: *Information and Discussion*

DRAFT
Report to the Pension & Benefits Committee
13 October 2023

FOR DECISION

**Family Building Benefit
From Human Resources**

Background

The following motion was approved at the 16 June 2023 meeting:

Motion: to recommend to the Board of Governors, an amendment to the extended health benefit relative to the In-vitro Fertilization (IVF) provision as follows:

- Revise coverage by removing the exhaustion of the provincial coverage requirement
- Removing the two-cycle limit for coverage (while maintaining the \$30,000 maximum)
- Extending eligibility to individuals who are acting as surrogates for members of the benefit plan

Also at the June P&B meeting, members heard that GreenShield was in the process of developing a family planning benefit which would enable coverage included in the third bullet. At the September P&B meeting, GreenShield provided a presentation to summarize the details of their newly created Family Building Benefit, intended to provide meaningful coverage for those looking to expand their families, as follows:

- Fertility (administered based on eligibility data provided to GreenShield from Human Resources):
 - o Medical services and procedures, physician services and fees, services related to sperm, services related to insemination and fertilization up to the \$30,000 lifetime limit per member
 - o Fertility drug coverage continues with a lifetime maximum of \$3,000 per member
- Surrogacy (administered via Surrogacy Agreement submitted directly to GreenShield):
 - o Medications, medical services and procedures, diagnostic testing, medical imaging, services related to insemination and fertilization, non-health expenses up to the \$30,000 lifetime limit per member (not per surrogate)
- Adoption (taxable to the plan member, process with Human Resources required for tax slips data)
 - o Legal fees, adoption agency fees, travel fees
 - o Note: this coverage has been captured within the “*Annual Review – Inventory of Potential Plan Design Changes*” as it was not a component of the working group’s report on IVF coverage

The above coverage is available to the University as of September 1, 2023, as an amendment to the Extended Health benefit contract with GreenShield.

Costing

Aon estimates that the cost impact associated with the removal of 2 cycle limitation, removal of the provincial exhaustion requirement, incorporation of Surrogacy benefits into the current \$30,000 lifetime maximum results in a cost impact of +\$99,900 (or 0.75% of Health costs). *Note: the costing does not include the two closed retiree plans (IVF coverage does not currently extend to members of these plans); the increase to the post-employment benefit liability has not yet been quantified.*

Conclusion

Following approval by the Board of Governors for an amendment to the contract with GreenShield, the University will coordinate the change with GreenShield and release a communication to the eligible population to provide information about the amended coverage and the new process involved with obtaining reimbursement for expenses associated with surrogacy. The benefit booklets will also be updated to reflect this information and available through GreenShield's GSCEverywhere portal.

DRAFT
Report to the Pension & Benefits Committee
13 October 2023

FOR INFORMATION/DECISION

**Pension Projection Tool – Revisions for Early Retirement Estimates
From Human Resources**

Background

The pension plan text defines the early retirement reduction factors that apply to pension entitlements paid prior to age 65. For active employees, the reduction factor is 0.5% per month between the retirement date and age 62. For former employees who elected a deferred pension at their employment termination, based on the pension commencement date, the following two factors apply:

- 1/3% per month between ages 60 and 65, and
- 1/2% per month between ages 55 and 60.

The Income Tax Act (ITA) stipulates that if the actuarial reduction is less, it is the actuarial reduction that must apply. The actuarial reduction is impacted by interest rate fluctuations (and other economic factors) and as such, depending on when an employee or former employee uses the pension projection tool in the months leading up to retirement, the pension entitlement at an early retirement or early pension commencement date could be lower in times when interest rate changes are significant such as the quickly rising interest rates experienced in 2022.

At present, the pension portal does not disclose whether the plan reduction or actuarial reduction applied to estimates. In addition, the portal does not identify that if the actuarial reduction is less, that the actuarial reduction must be applied as per the ITA.

Configuration and Costing

Telus Health is able to restrict pension portal estimates so that only the plan text reduction is applied to early retirement and early pension commencement estimates. The cost of configuration is estimated to be \$6,800 (27 hours) excluding any additional costs to adjust web text (i.e. the current disclosure wording displayed within the pension estimate). The cost associated with this configuration change would be funded by the pension plan.

Recommendation

The University recommends that the Pension & Benefits Committee approves a change to the pension projection tool such that the early retirement reduction factor that applies to estimates is based on the plan text reduction only. In this way, early retirement or early pension commencement estimates would be a "worst case scenario" and the actual reduction at the time of early retirement or early pension commencement could be lower if the actuarial reduction applies instead of the plan text reduction.



Review of University Pension Plan Ontario (UPP) – Funding Structure and Plan Design

University of Waterloo Pension & Benefits Committee

Meeting on May 19, 2023

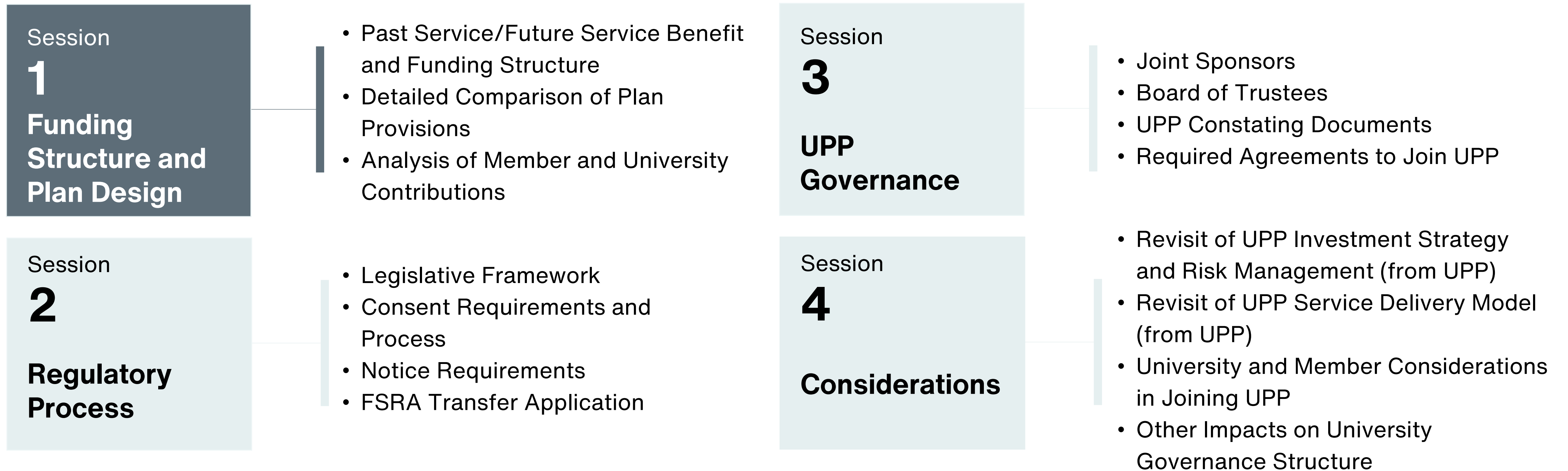
Updated for Meeting on September 15, 2023

Updated for Meeting on October 13, 2023



Approach for Reviewing the UPP

As agreed to at March 10, 2023 meeting of P&B Committee:




UPP Benefit Structure

Pension Benefits From UPP	
Pre-Conversion Date Pensionable Service	Post-Conversion Date Pensionable Service
Prior university plan provisions for pre-Conversion Date Pensionable Service will be replicated under UPP	UPP provisions apply as of Conversion Date forward
Each participating university will have different benefit provisions for pre-Conversion Date Pensionable Service	Common benefit provisions for all participating universities and employees



UPP Funding Structure

UPP Pension Fund Invested as One Fund		
Assets and Liabilities for Pension Benefits Transferred Into UPP (Pre-Conversion Service)		Assets and Liabilities for Pension Benefits Earned From Conversion Date (Post-Conversion Service)
Assets and liabilities from prior university plans transferred into UPP		One joint cost- and risk-sharing arrangement across all participating universities and employees
Each participating university responsible for its own funded status on Conversion Date and for any losses/gains on pre-Conversion Date assets and liabilities for first 10 years from Conversion Date, followed by 10-year transition to 50/50		Contributions are shared 50/50 between universities and employees including sharing of any losses/gains that arise for UPP service



Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Eligibility	<p>Employees employed on a full-time or part-time basis (with at least one-third annual commitment) eligible to join on first day of any month coincident with or next following date of employment; mandatory enrollment on first day of month coincident with or next following date of employment if age 35 or over on date of employment, or first day of calendar year coincident with or next following attainment of age 35 if under age 35 at date of employment</p> <p>Full-time or part-time definite-term lecturers who have attained age 35 required to join on first day of month coincident with or next following earlier of promotion to a higher rank or completion of 5 years of service</p> <p>Employees employed at less than one-third annual commitment eligible to join on first day of any month coincident with or next following two immediately preceding calendar years of either earnings of at least 35% of YMPE or hours of work of at least 700</p>	<p>Full-Time Employees: Mandatory enrollment on the first day of the month coincident with or next following date of employment</p> <p>Other Than Continuous Full-Time Employees: Optional enrollment on first day of any month if either earnings* of at least 35% of YMPE or 700 hours* of work, in each of two consecutive calendar years immediately prior to applying for membership <i>*from an eligible class of employment</i></p> <p>Transition: All members of the university plan on the Conversion Date become members of the UPP</p>

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Retirement Dates		
Normal Retirement Date	First day of month coincident with or next following attainment of age 65	Last day of month coincident with or in which member reaches age 65 (but no later than normal retirement date under university plan)
Early Retirement Date	Within 10 years of normal retirement date	Last day of month coincident with or in which member attains age 55
Postponed Retirement Date	First day of any month following normal retirement date, subject to pension commencing no later than December 1 of calendar year in which member attains age 71	Last day of any month in which member retires following normal retirement date, subject to no later than November 30 of calendar year in which member attains age 71
Pension Commencement Date	Same date as above for normal, early or postponed retirement	First day of month following normal, early or postponed retirement date

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Benefit Formula		
Average Earnings	Best 60 consecutive months of pensionable earnings	Best 48 non-consecutive months of pensionable earnings (definition of pensionable earnings that applied under university plan continues under UPP)
Average Year's Maximum Pensionable Earnings (YMPE)	Last 5 years	Last 48 consecutive months; Year's Additional Maximum Pensionable Earnings (YAMPE = 1.14 × YMPE) to be used as breakpoint starting in 2025
Benefit Rate Per Year of Pensionable Service	1.4% / 2.0%	1.6% / 2.0%
Maximum Benefit	Income Tax Act maximum pension, subject to cap of \$4,000 per year of pensionable service effective January 1, 2023, increased thereafter each calendar year starting in 2024 by one-third of percentage increase in Average Industrial Wage	Income Tax Act maximum pension; automatically increased with percentage increase in Average Industrial Wage

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Normal Form of Payment		
Without Spouse	Lifetime pension with 10-year guarantee period	Lifetime pension with 10-year guarantee period
With Spouse	Lifetime pension with 10-year guarantee period (LG10); statutory 60% survivor pension actuarially reduced from LG10 pension	Lifetime pension with 50% survivor pension; statutory 60% survivor pension actuarially reduced from 50% survivor pension
Unreduced Early Retirement		
	Age 62	Age 60 and 80 age-plus-service points (e.g., age 60 and 20 years of service; age 62 and 18 years of service); only applies to pension benefit earned for UPP service but pre-Conversion Date service counts for eligibility
Reduced Early Retirement		
	Accrued pension reduced 6% per year from age 62	Accrued pension reduced 5% per year from age 65
Reduction for Early Commencement of Deferred Pension		
	3% per year from ages 65 to 60, plus 6% per year from ages 60 to 55	Actuarial reduction from age 65

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Cost-of-Living Adjustments (Indexation)		
Pensions in Payment	<p>For pension benefits accrued on and after January 1, 2014: Guaranteed indexation at 75% of increase in Consumer Price Index (CPI), up to a maximum adjustment of 3.75%; any indexation over 3.75% determined by P&B Committee based on financial health of plan</p> <p>For pension benefits accrued prior to January 1, 2014: Guaranteed indexation at 100% of increase in CPI, up to a maximum adjustment of 5.00%; any indexation over 5.00% determined by P&B Committee based on financial health of plan</p>	<p>Funded conditional indexation at 75% of increase in CPI</p> <p>Indexation at 75% of CPI included in contribution rates based on long-term actuarial assumptions and granted each year subject to funding policy under which Joint Sponsors can decide to reduce future indexation adjustments below 75% of CPI level given financial health of plan</p>
Deferral Period	<p>No indexation provided on pension benefit for post-January 1, 2008 Pensionable Service unless member has 20 or more years of service or is within 10 years of normal retirement date at termination of employment</p> <p>Indexation amount for eligible pension benefit determined annually by P&B Committee</p>	No indexation provided

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Disability	<p>Members in receipt of income under university LTD plan:</p> <ul style="list-style-type: none"> • Cease to contribute while disabled; and • Continue to accrue pensionable service with pensionable earnings at date of disability increased each year by a percentage determined by P&B Committee 	<p>Members in receipt of income under university LTD plan:</p> <ul style="list-style-type: none"> • Cease to contribute while disabled (university makes both member and university contributions); and • Continue to accrue pensionable service with pensionable earnings at date of disability increased at same rate and at same time as disability income under LTD plan
Termination of Membership	Deferred pension or commuted value prior to eligibility for early retirement	Deferred pension or commuted value prior to eligibility for early retirement
Death in Service	Commutated value of accrued pension	Commutated value of accrued pension

Comparison of Plan Provisions

Provisions	UW Pension Plan	UPP
Member Contributions		
	7.80% up to YMPE, plus 11.20% above YMPE, up to maximum salary for contribution purposes (\$222,646 in 2023) Ratio of contribution rate to benefit rate: 5.6	9.20% up to YAMPE, plus 11.50% above YAMPE, up to maximum salary for contribution purposes (\$196,200 in 2023) Ratio of contribution rate to benefit rate: 5.75

Comparison of Benefits – Examples

Following table compares annual pension benefit earned under UW Pension Plan (based on 5-year average earnings and 5-year average YMPE) to annual pension benefit earned under UPP (based on 4-year average earnings and 4-year average YAMPE):

5-Year Average Earnings ¹	Annual Pension Earned Per Year of Service (Payable as a Life Guaranteed 10-Year Pension)		
	UW Plan ²	UPP ³	% Increase
\$50,000	\$ 700	\$ 812	16.0%
\$75,000	\$ 1,100	\$ 1,218	10.7%
\$100,000	\$ 1,600	\$ 1,722	7.6%
\$125,000	\$ 2,100	\$ 2,230	6.2%
\$150,000	\$ 2,600	\$ 2,737	5.3%
\$175,000	\$ 3,100	\$ 3,245	4.7%
\$195,000	\$ 3,500	\$ 3,651 ⁴	4.3%

For members with a spouse at retirement, subsidized survivor pension will increase UPP pension versus UW pension by 5% to 7% at typical retirement ages

¹ 4-year average earnings assumed to be 1.5% higher

² Based on 5-year average YMPE of \$66,636

³ Based on 4-year average YAMPE of \$76,940

⁴ Based on ITA maximum pension of \$3,702

Comparison of Contributions – Examples

Following table compares annual member contributions earned under the UW Pension Plan and the UPP, based on an annual salary that approximates the final year’s salary for the average earnings used in the benefits examples:

Annual Salary	Annual Contributions			
	UW Pension Plan ¹	UPP ²	Increase	% Increase
\$53,000	\$ 4,134	\$ 4,876	\$ 742	17.9%
\$80,000	\$ 6,570	\$ 7,360	\$ 790	12.0%
\$106,000	\$ 9,482	\$ 10,348	\$ 866	9.1%
\$133,000	\$ 12,505	\$ 13,453	\$ 948	7.6%
\$159,000	\$ 15,418	\$ 16,443	\$ 1,025	6.6%
\$186,000	\$ 18,442	\$ 19,548	\$ 1,106	6.0%
\$207,000	\$ 20,794	\$ 21,963	\$ 1,169	5.6%

¹ YMPE of \$70,300

² YAMPE of \$80,100

Comparison of Early Retirement Benefits

Early Retirement at Ages Less Than 60

Age at Retirement	% of Accrued Pension	
	UW	UPP
55	58%	50%
56	64%	55%
57	70%	60%
58	76%	65%
59	82%	70%



Comparison of Early Retirement Benefits (cont'd)

Early Retirement at Ages 60 to 64

% of Accrued Pension												
Eligibility Service at Retirement												
Age at Retirement	<15		16		17		18		19		20+	
	UW	UPP	UW	UPP	UW	UPP	UW	UPP	UW	UPP	UW	UPP
60	88%	75%	88%	75%	88%	75%	88%	75%	88%	75%	88%	100%
61	94%	80%	94%	80%	94%	80%	94%	80%	94%	100%	94%	100%
62	100%	85%	100%	85%	100%	85%	100%	100%	100%	100%	100%	100%
63	100%	90%	100%	90%	100%	100%	100%	100%	100%	100%	100%	100%
64	100%	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

 UPP same or better than UW

Consent Requirements

UPP conversion cannot proceed unless:

At least 2/3 of all active Plan members consent

For employees participating in the Plan who are represented by a union or association determined to be a trade union for purposes of the Labour Relations Act, under the Pension Benefits Act, consent must be made by the union or association for the employees it represents pursuant to its process for determining whether or not to consent.

In that case:

- If the union or association consents on behalf of its members, all such members are deemed to have consented to the conversion
- If the union or association does not consent on behalf of its members, all such members are deemed to have objected to the conversion

Employees participating in the Plan not included above have an individual right to consent to the conversion. If active member is non-unionized, member has an individual right to consent to the conversion.

No more than 1/3 of all inactive Plan members (retired and former members and other beneficiaries) object

Inactive members have an individual right to object to the conversion

“Other beneficiaries” includes surviving spouses and former spouses in receipt of pension

UPP Governance

The JSPP model is founded on cooperation, transparency and shared accountabilities between employers and plan members:

- ✓ 50/50 sharing of contributions
- ✓ Equal say in plan design, funding, administration
- ✓ Transparent plan operations, funding, decision-making
- ✓ Clear, explicit risk sharing

It's these characteristics that afford JSPPs unique benefits like solvency exemption and stable, predictable contributions.

UPP Joint Sponsors

Two Sponsors: Universities are one Sponsor and employees are the other Sponsor; each Sponsor has a Committee with 6 members

Sets contributions and benefits formula

Defines funding policy

Appoint administrator

Sets terms for and approves new entrants

UPP Administrator – Board of Trustees

Made up of 14 members, including an Independent Chair appointed by the Joint Sponsors¹

Actuarial valuation

Investment of assets

Member services and benefit payments

¹ 6 Board members appointed by universities, 6 Board members appointed by faculty associations and unions, and 1 Board member appointed by non-unionized employees (without a tie-breaking vote)

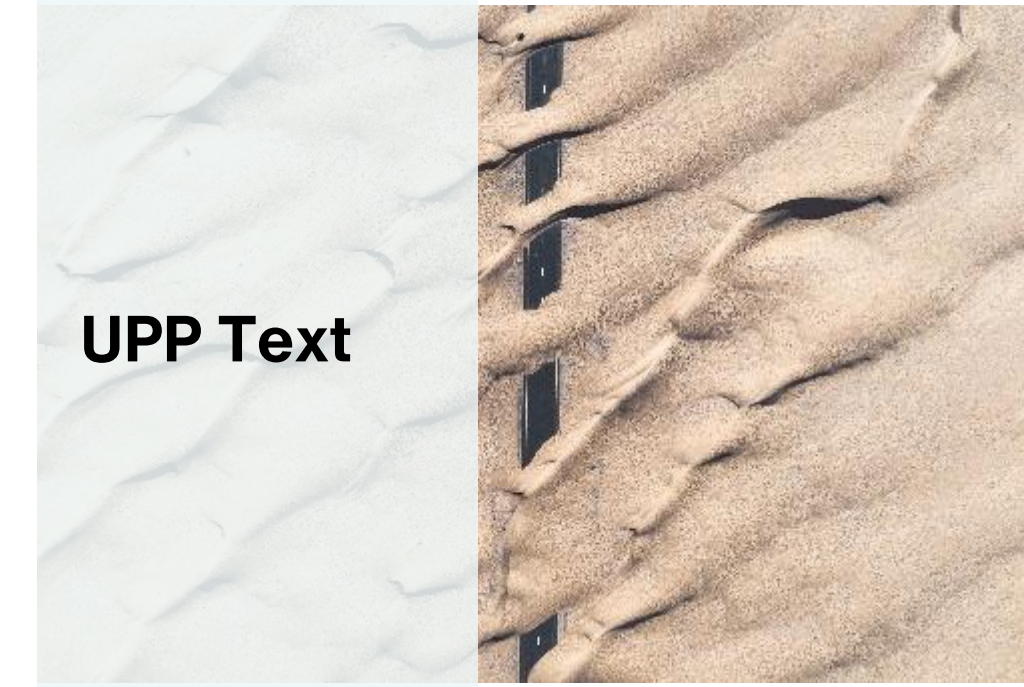
UPP Constating Documents



- Agreement between Sponsors for the establishment of the UPP as a jointly sponsored pension plan
- Establishes Employer Sponsor and Employee Sponsor as the exclusive representatives of employers and members, respectively
- Sets out Joint Sponsor responsibility for UPP terms, Trust Agreement, Funding Policy and new employer terms and conditions



- Establishes the Board of Trustee as legal administrator of the UPP (per PBA) and the UPP Trust Fund
- Sets out powers and duties of Board of Trustee (e.g. fiduciary standard, pay benefits and collect contributions in accordance with UPP terms)
- Sets the composition of the Board, term of each Trustee and responsibility for appointment by Joint Sponsors



- Contains provisions applicable to benefits earned for service on and after date of participation
- Contains appendices for each prior plan converted to UPP to provide for replication of pre-conversion service and address any transitional provisions



- Adopted by the Joint Sponsors to set out the funding framework for the UPP
- Purpose is to provide for contribution stability, benefit security, intergenerational equity and plan sustainability
- Sets out the provisions applicable any initial deficit (or surplus) that exists on Conversion Date as well as the treatments of future gains and losses on pre-conversion assets and liabilities

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