

UNIVERSITY OF
WATERLOO



Board of Governors

2024 10 17 Pension & Benefits Committee Meeting Book

October 17, 2024

1:00 p.m. - 3:30 p.m.

Needles Hall or Zoom

NH 3318

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UNIVERSITY OF WATERLOO



Board of Governors

Meeting Book - 2024 10 17 Pension & Benefits Committee Meeting

AGENDA

Governance Resources

<https://uwaterloo.ca/secretariat/governing-bodies/board-governors/pension-benefits-committee>

1. Agenda and Minutes

1.1. Declarations of Conflict of Interest

1.1. Agenda and Minutes	Decision	4
-------------------------	----------	---

PB 2024-09-13 OPEN Minutes	Decision	6
----------------------------	----------	---

1.2. Approval of Agenda

1.3. Approval of the September 13, 2024 Minutes

1.4. Business Arising

2. Benefits

2.1. Health Care Spending Account [Hollis]

2.1. Health Care Spending Account	Decision	9
-----------------------------------	----------	---

2.1. HCSA recommendation Report	Decision	10
---------------------------------	----------	----

2.2. Biosimilar Transition Program [Aon]

2.2. Biosimilar Transition Program	Decision	12
------------------------------------	----------	----

2.2. Biosimilar Transition Program recommendation (Oct 17_24)	Decision	13
---	----------	----

3. Pension

3.1. Review of SIPP and FIP [Hadley]

3.1. Review of SIPP and FIP	Decision	15
-----------------------------	----------	----

3.1.1. SIPP-FIP Updates	Decision	17
-------------------------	----------	----

3.1.2. Pension SIPP	Decision	18
---------------------	----------	----

3.1.3. Pension FIP	Decision	31
--------------------	----------	----

3.2. Plan Text Amendments [Hornberger]

3.2. Plan Text Amendments	Decision	40
3.2. Plan Text Amendments UW Amendment No 10 (October 4 2024)	Decision	41
4. Other Business		
4.1. Pension & Benefits Committee Orientation		
4.1. Committee Orientation	Information	44
4.1. Orientation Slide Deck	Information	45
4.2. Review of Work Plan [Willey-Thomas]		
4.2. Review of Work Plan	Information	68
4.2. Pension & Benefits Committee Work Plan 2024-2025	Information	69
5. Adjournment		
Confidential Session		
6. Agenda and Minutes		
6.1. Approval of Minutes of June 11, 2024 Meeting		
6.1 Agenda and Minutes	Decision	71
PB 2024-06-11 CONF Minutes	Decision	72
6.2. Business Arising		
7. Benefits		
7.1. Proposed Group Benefits Working Group		

For Decision**Open Session**

Date of Meeting: October 17, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **1) Approval of Agenda and Consent Items**

1.1. Declarations of Conflict of Interest

Members are invited to declare any conflicts related to the confidential agenda at this time. Should a conflict of interest arise during the course of discussion, Members are invited to declare a conflict of interest as it arises.

The Secretariat can provide guidance regarding any potential conflicts of interest in advance of or during the Board meeting.

Governors are invited to review the Conflict of Interest webpage on the Secretariat [website](#).

1.2. Approval of Agenda

Recommendation:
That the October 17, 2024 meeting agenda be approved.

1.3. Minutes of the September 13, 2024 Meeting

Recommendation:
That the minutes of the September 13, 2024 meeting be approved.

1.4. Business Arising

All other matters of business arising will be addressed throughout the balance of the agenda.

Documentation Provided:

- September 13, 2024 Meeting Minutes

https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-25 Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/1.1. Agenda and Minutes.docx

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the September 13, 2024 Meeting
[in agenda order]

Present: Trevor Askes, Linda Blair, Sara Cressman, Elizabeth Demers, Danielle Deveau, Teresa Fortney (Chair), Melissa Graham, Sarah Hadley, Michelle Hollis, Lily Hua, Jacinda Reitsma, David Taylor, James Thompson, Sarah Willey-Thomas (Secretary)

Resources: Anata Alphonso, Aubrey Basdeo (2), Linda Byron, Melanie Figueiredo, Patricia Hancock, Lee Hornberger, Sue McGrath, Scott Palmer (3), Allan Shapira, Holly Taylor, Christine Than, Jessica Tran, Tyler Wendland

Guests: Yessenia Guerrero

OPEN SESSION

1. Agenda and Minutes

1.1. Declarations of Conflict of Interest

No conflicts of interest were declared.

1.2. Approval of Agenda

Graham and Hollis.

That the September 13, 2024 meeting agenda be approved. CARRIED

1.3. Approval of June 11, 2024 Minutes

Hadley and Graham.

That the minutes of the June 11, 2024 meeting be approved. CARRIED

1.4. Business Arising

There were no matters of business arising.

2. Reports from Sub-Committees

2.1. Report of the Pension Investment Committee

Aubrey Basdeo presented the report from the Pension Investment Committee, as included in the agenda package. The Committee discussed that there is a difference in approach to reporting contributions in transit in the market value of the pension plan investments between the investment performance reporting prepared by Eckler and the pension risk management dashboard prepared by Aon. The Committee further discussed consistent investment underperformance relative to the benchmark; changes to the portfolio since the establishment of the benchmark; relevant industry benchmarks; and further investigation by the Pension Investment Committee.

Aubrey Basdeo left the meeting.

2.2. Summary of Total Fund Investment Performance

The Committee received the Summary of Total Fund Investment Performance for information.

3. Benefits

3.1. Health Care Spending Account

Jacinda Reitsma presented the Health Care Spending Account. The Committee discussed a consistent approach to a benefits program; impact on retirees and whether the benefit would be extended to retirees; cost for extending the benefit to active employees; increasing costs of providing the dental and extended health benefits; introduction of other new benefits to employees; cost of implementation as compared to staff FTE; benefits principles; arbitrator decision for FAUW regarding the HCSA; financial challenges faced by the University; role of Committee members to act in the best interest of the University.

Sara Cressman joined the meeting.

3.2. Extended Health Benefit

3.2.1. Biosimilar Transition Program

Scott Palmer and Christine Than presented the Biosimilar Transition Program by Aon. The Committee discussed the GreenShield exception process and impact of the program on lifesaving medications, including cancer medications.

3.2.2. Plan Design Amendment – Gender Affirmation, Prescribers for Medical Equipment, Biosimilar Transition Program

Lee Hornberger presented the Plan Design Amendment report. The Committee discussed the estimated cost for gender affirmation coverage and coverage for medical equipment (and other prescriptions) where prescribed by a nurse practitioner.

3.3. Green Shield Update

Hornberger presented the GreenShield Update as included in the agenda package.

4. Pension

4.1. Pension Risk Management Dashboard

Linda Byron presented the Pension Risk Management dashboard.

4.2. Cost of Living Adjustments

4.2.1. Pensionable Earnings for Members on LTD

Lee Hornberger presented the cost of living adjustments.
Taylor and Hua.

That the Pension & Benefits Committee approve to index salaries by 3.9% for pension purposes for members in receipt long-term disability benefits ("LTD"), effective May 1, 2024. CARRIED

4.3. Plan Text Amendment to reflect revised Policy 76/77 – Definite Term Lecturers

Lee Hornberger presented plan text amendments related to recent changes to Policy 76 and Policy 77.

Graham and Thompson.

That the Pension & Benefits Committee recommend the pension plan text be amended to replace references to "Definite Term Lecturers" with "Definite Term Assistant Professors, Teaching Stream", effective September 1, 2024. CARRIED

4.4. Fairness Protocol – Maximum Contribution Limit

Lee Hornberger presented the Fairness Protocol's Maximum Contribution Limit. The Committee discussed current approach to handling overcontributions for retiring members; heavy administration load associated with the protocol; impact to members and to the plan on changing the timing of returning the overcontributions; timeline associated with the change.

Taylor and Graham.

That the Pension and Benefits Committee recommend the following changes to the Fairness Protocol, effective January 1, 2025:

a) That the Fairness Protocol is phased out based on Aon's "Approach 1 – Immediate Change"; and

b) That any over-contributions be paid to retirees as a lump sum only, removing the option to take overcontributions as a lifetime pension.

CARRIED

5. Other Business

5.1. Pension & Benefits Committee Orientation

The item was deferred to a future meeting.

5.2. Review of Work Plan

The item was deferred to a future meeting.

There were no matters of other business.

6. Adjournment

The meeting was adjourned at 12:05 p.m.

October 9, 2024

Sarah Willey-Thomas
Associate University Secretary

For Decision**Open Session**

Date of Meeting: September 13, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **2. Benefits**

2.1. Health Care Spending Account

Michelle Hollis, Chief Human Resource Officer, will present the Health Care Spending Account (HCSA).

Members will recall Aon delivered an education session at the June 2024 meeting regarding HCSA benefits and an update provided at the September 2024 meeting regarding relevant background information about the HCSA.

Recommendation:

That the Pension & Benefits Committee recommend to the Board of Governors:

- a) That a new Health Care Spending Account ("HCSA") benefit be established effective May 1, 2025 in the amount of \$300 per active faculty member per policy year in accordance with the Faculty Association of the University of Waterloo (FAUW) arbitration award; and,
- That the HCSA be provided by GreenShield through their standard plan design provisions.

Documentation Provided:

- Report - Health Care Spending Account (HCSA)

[https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-25 Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/2.1. Health Care Spending Account.docx](https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board%20and%20Board%20Committees/Pension%20&%20Benefits/Meetings/2024-25%20Meetings/2024-10-17%20Meeting/1.%20Agenda%20and%20Minutes/1_Open%20Session/2.1.%20Health%20Care%20Spending%20Account.docx)

**Report to the Pension & Benefits Committee
17 October 2024**

FOR DECISION

**Health Care Spending Account (HCSA)
From Human Resources and Finance**

Recommendation

Following approval by the Board of Governors, implementation efforts will be led by Human Resources with support from other Administrative Support Units (incl. IST and Finance) with respect to the modification of processes and systems to support administration by the University as well as GreenShield, by the May 1, 2025 effective date and the development of a corresponding education campaign to enable eligible faculty members to understand and access the new coverage.

Background

The arbitrated settlement effective May 1, 2024 for the faculty employee group includes a recommendation to the Pension & Benefits Committee to introduce a new benefit for faculty members, in the form of a Health Care Spending Account (HCSA). The settlement contemplates an HCSA in the amount of \$300 per policy year effective date of May 1, 2025 per faculty member actively employed on that date (i.e. those who are eligible for the annual Faculty Salary Increase process); however, if the HCSA is not approved by the Pension & Benefits Committee, the amount shall be awarded as additional salary for FAUW members only (this provision will not be extended to other employee groups).

Aon has advised that based on an HCSA of \$300 per year for 1384 faculty members, the cost equates to \$415,200 per year. GreenShield charges 2.75% of paid claims for administration services plus applicable taxes; however, Aon has advised that these charges are typically offset (or even slightly more than offset) by forfeitures (i.e. amounts that go unused by plan members, either due to their low claims volumes, lack of education on how to use the benefit, or termination mid-year). The University's cost associated with the benefit would be invoiced on a monthly basis based on claims reimbursed and the corresponding charges.

What is an HCSA?

At the June 2024 Pension & Benefits Committee meeting, Aon's information session provided an understanding of an HCSA benefit. The information below was covered during that session and it was also included in the agenda package for the September 2024 Pension & Benefits Committee meeting.

An HCSA is an individual employee account that employees can use to obtain reimbursement for newly eligible medical expenses that would previously have been an out-of-pocket expense (paid for through net income) since they are not currently covered under provincial health insurance plans or other employer sponsored benefit plans. In addition to an eligible employee's personal expenses, expenses of their dependents would also be eligible for reimbursement and employees need to take an active role in directing the use of funds appropriately.

An HCSA can be used to pay extended health and dental expenses (that are eligible under a Private Health Services Plan) for the member or the member's eligible dependents, including but not limited to:

- Prescribed over-the-counter and other medications not included in the extended health benefit's existing drug formulary

- Paramedical practitioner services (e.g. psychologist, chiropractor) above the annual maximums or ineligible through the extended health benefit (e.g. acupuncturist)
- Prescription eyeglasses, contact lenses, and surgery not included in the extended health benefit
- Dental services that may not be part of the existing benefit (e.g. crowns on implants)
- Dental expenses above the benefit's annual or lifetime maximums
- Home renovations when medically required
- Cosmetic surgery

Eligible faculty members would receive an individual HCSA allocation at the beginning of each period (i.e. each May 1) and balances would be tracked by GreenShield. Plan members submit eligible claims directly to GreenShield for reimbursement (similar to extended health and dental coverage today). A member's HCSA balance would be forfeited if unused in a two-year period (i.e. balance remaining from a May 1, 2025 allocation would be forfeited on May 1, 2027).

Additional Information

GreenShield has provided the following additional details relative to a 12 month rolling contributions:

- If an allocation of \$300 is provided on May 1, 2025 with a 12 month grace period, any claims incurred between May 1, 2025 and April 30, 2026 are eligible with this May 1, 2025 allocation until April 30, 2027
 - Expenses incurred between May 1, 2025 and April 30, 2026 need to be received within 12 months from the date of service
 - For example if a claim with a date of service of August 9, 2025 is received January 3, 2027, the claim would not be eligible for reimbursement as it is outside the 12 month claim submission period
 - Eligible claims during this time period would be reimbursed from the 2025 HCSA funds.
 - If 2025 HCSA funds remain as of May 1, 2026, the unused funds would roll over and be eligible for usage on eligible claims until April 30, 2027, with the same 12-month submission process still applicable
 - If an eligible claim is received May 30, 2026, the remaining 2025 HCSA funds would be used before using the 2026 eligible funds
- Any unused 2025 dollars are forfeited as of April 30, 2027; any unused 2026 HCSA dollars will forfeit as of April 30, 2028

For Decision

Open Session

Date of Meeting: October 17, 2024
To: Members, Pension & Benefits Committee
From: Sarah Willey-Thomas, Associate University Secretary
RE: **2. Benefits**

2.2. Biosimilar Transition Program

Lee Hornberger, Director, Total Rewards, will present the Biosimilar Transition Program to the Committee.

The Committee received a presentation from Aon regarding the Biosimilar Transition Program at its September 2024 meeting. The presentation explored current coverage as well as exploration of the biosimilar transition program offered by GreenShield.

Recommendation:

That the Pension & Benefits Committee accept and recommend that the Board of Governors approve the adoption of the Biosimilar Transition program.

Documentation Provided:

- Biosimilar Transition Program Report

https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-25 Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/2.2. Biosimilar Transition Program.docx

**Report to the Pension & Benefits Committee
17 October 2024**

FOR DECISION

**Extended Health Benefit – Biosimilar Transition Program
From Human Resources**

Recommendation

That the Pension & Benefits Committee recommend to the Board of Governors, the adoption of the Biosimilar Transition Program through an amendment to the extended health benefit.

Following approval by the Board of Governors, implementation efforts will be led by Human Resources to direct GreenShield to amend the extended health benefit. If GreenShield receives approval to proceed by the end of October 2024, the earliest that this change could be implemented would be effective April 8, 2025, with letters released to impacted members in January 2025 in order to provide a 90-day lead time for transition.

Background

At the end of 2023 (i.e. December 29, 2023), the Ontario Drug Benefit (ODB) delisted coverage for some biologic drugs (i.e. Copaxone, Enbrel, Humira, Remicade, Rituxan, Lantus, Humalog, Novorapid) and only biosimilar drugs are covered. At that time, GreenShield indicated 41 ODB eligible participants would be impacted by this coordination with ODB, based on active prescriptions (i.e. Humalog, Lantus, Novorapid, Enbrel, and Humira). The University's plan has become the first payer for the biologic drugs delisted by ODB.

GreenShield's standard is to provide coverage for biosimilar drugs when one exists for biologic drugs unless the biologic drug is required for exceptional circumstances (i.e. the prescriber must submit a clinical rationale for why the plan member is not able to use a biosimilar product). The University's extended health benefit currently includes GreenShield's Biosimilar New Start Program; however, it does not include GreenShield's Biosimilar Transition Program. In August 2024, GreenShield indicated 58 participants (46 actives, 12 retirees) would be impacted by the implementation of the Biosimilar Transition Program through the following process:

- GreenShield identifies plan members eligible for the transition.
- GreenShield sends each plan member a letter advising them that a biosimilar is now available for their originator biologic drug and reimbursement is changing within 90 days.
- Plan member is given a choice of remaining with the originator product or transitioning to biosimilar medication. For plan members who choose to remain on the originator biologic drug, GreenShield will reimburse the cost of the biosimilar, and the plan member will be responsible for the difference in cost.
- The plan member is provided with a contact number for a patient-support nurse who will assist them with the transition process and reach out to their physician should they choose that option.

Aon estimates that the cost savings associated with GreenShield's standard – to provide coverage for biosimilar drugs when one exists for biologic drugs unless the biologic drug is required for exceptional circumstances – would amount to approximately \$524,000 per year through a reduction in coverage (i.e. delisted drugs) but with comparable outcomes.

At the September 2024 Pension & Benefits Committee meeting, Aon provided a *Biosimilar Transition Program* presentation to further explain biologic and biosimilar drugs, and the comparable outcomes through both medications. Members expressed interest in the appeals process and how GreenShield's would compare with the appeals process through ODB.

Appeals Process – Additional Information from Aon

Aon has advised that both GreenShield and ODB make biosimilar exception forms available to claimants who need to stay on the reference biologic in order to assess each request on a case-by-case basis.

GreenShield's exception form is available on the [Provider Connect website](#) (search for "biosimilar") and includes the following three parts:

- Patient details - personal information, coordination of benefits, and consent
- Drug requested for evaluation, location of administration, diagnosis and note to attach documentation with the following information:
 - Disease course (including clinical assessment scores)
 - Previous and current medications used for the disease state (date, dose, duration of use, and treatment outcome)
 - Clinical rationale preventing the switch to biosimilar
 - Details if biosimilar has been tried (date of use, duration of use, rationale it was not effective)
 - Additional details to support
- Prescriber information and submission instructions

ODB lists the following criteria that is considered with their review:

- Current pregnancy – Expected delivery date
- Palliative end-of-life care – Approximate date when palliative end-of-life care was initiated
- Needs more time to switch – Reason for the delay to switch to a biosimilar and the date when a new prescription is expected
- Side effects to 2 Biosimilar versions (failed multiple biosimilar treatments in the past) and wish to resume use of Originator (Innovator)
 - Must attach the copies of completed Health Canada Side Effect forms describing the adverse effect(s) experienced with each biosimilar product.
 - These must also be submitted to Health Canada.
 - May attach additional information about how other causes of symptoms were ruled out.
- Pediatric patient using etanercept for weight-based dosing – Weight of the patient and approximate duration of requested exemption before a biosimilar version may be suitable for dosing needs.
- Cannot switch to biosimilar version for medical reasons

GreenShield has confirmed that the above criteria apply to their assessment as well. Their coverage decision takes the drug, disease state, comorbidities and rationale provided by the prescriber into consideration.

GreenShield has offered a further example for clarity. Claimants using an insulin pump where the pump was not approved for use with the biosimilar yet, would be approved for coverage for the reference biologic.

For Decision**Open Session**

Date of Meeting: October 17, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **3. Pension**

3.1. Review of SIPP and FIP

Sarah Hadley, Chief Financial Officer, will speak to the recommended updates to the Pension's Statement of Investment Policies and Procedures (SIPP) and Fund Implementation Procedures (FIP). Copies of each document with tracked changes for all proposed revisions have been included in the agenda package.

The Pension Investment Committee reviewed the SIPP and FIP at their September 2024 meeting and recommend them to the Pension & Benefits Committee for approval. The Pension Investment Committee also annually reviews the SIPP compliance report.

In accordance with the Pension & Benefits Committee's Terms of Reference, the Committee has power "To recommend to the Board of Governors the investment policy for pension assets as described in the Statement of Investment Policy and Procedures (SIPP) and to approve the Fund Implementation Procedures (FIP), both on the recommendation of the Pension Investment Committee."¹

Recommendations:

That the Pension & Benefits Committee approve changes to the Fund Implementation Procedures, as presented.

That the Pension & Benefits Committee accept and recommend that the Board of Governors approve changes to the Pension Statement of Investment Policies and Procedures, as presented.

¹ <https://uwaterloo.ca/secretariat/committees-and-councils/pension-benefits-committee/pension-benefits-committee-resolution>

Documentation Provided:

- Statement of Investment Policies and Procedures – Proposed revisions effective November 1, 2024
- Fund Implementation Procedures – Proposed revisions effective November 1, 2024

https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024- Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/3.1. Review of SIPP and .docx

Report to the Pension Investment Committee
Summary of Recommended Updates to SIPP and FIP
September 12, 2024

Recommendation

That the changes to the Pension's Statement of Investment Policies and Procedures, and Fund Implementation Procedures, be recommended to Pension and Benefits Committee for approval.

Summary of Changes to the Pension Statements of Investment Policies and Procedures ("SIPP")

Through consultation with Eckler, the following changes are recommended to the SIPP

- Updates to a number of sections to better reflect the Private Debt asset class and investment managers.
- Replace Equity Returns/Risk section with a more generic Risk Factors section.
- Remove Diversification section as commentary on investment diversification is included in new Risk Factors section.
- Update Asset Mix section
 - Separate row for Private Debt asset class.
 - Separate Infrastructure and Real Estate asset classes into Listed and Direct categories.
 - Updates to benchmark indexes.
- Updates to recognized bond rating agencies
 - Only require bonds to have a single agency rating
 - Remove Fitch Ratings as a recognized bond rating agency
 - Fitch Ratings now requires special licensing to access ratings, which the University does not have.

Final approval for changes to the SIPP takes place at Board of Governors, upon recommendation from the Pension and Benefits Committee.

Summary of Changes to the Pension Fund Implementation Procedures ("FIP")

Updates have been proposed to the Fund Implementation Procedures to align the document with current practices surrounding performance reporting and determinations on investment manager distributions.

Final approval for changes to the FIP takes place at the Pension and Benefits Committee.

Sarah Hadley
Tyler Wendland

**Statement of Investment Policies and
Procedures**

University of Waterloo Pension Plan
(2011)

Registration number: 0310565

Effective: ~~April 4, 2023~~ November 1, 2024

Replaces previous version which was last revised and effective on ~~February 2, 2022~~ April 4, 2023

Contents

Introduction.....	2
1) Purpose and Scope of Policy.....	2
2) Overview of the Plan and its Governance	2
Investment Principles.....	3
3) Plan Objectives.....	3
4) Investment Objectives	3
5) Portfolio Return and Risk Objectives	3
6) Expected Volatility	3
7) Equity Returns/Risk.....	3
8) Active and Passive Investments	4
9) Diversification	4
10) Liability Hedging	4
11) Liquidity	4
12) Currency Hedging.....	<u>54</u>
13) Asset Mix.....	<u>54</u>
14) Rebalancing.....	<u>65</u>
15) Responsible Investing	6
Permitted and Prohibited Investments.....	6
16) Permitted Investments.....	6
17) Minimum Quality Requirements.....	<u>87</u>
18) Maximum Quantity Restrictions	8
19) Fund Manager Compliance	<u>98</u>
20) Securities and Cash Lending.....	<u>98</u>
21) Short Selling	9
22) Borrowing	9
23) Monitoring.....	<u>109</u>
General Provisions	<u>109</u>
24) Conflicts of Interest.....	<u>109</u>
25) Voting Rights	<u>1140</u>
26) Valuation of Investments Not Regularly Traded	<u>1140</u>
27) Related Party Transactions	<u>1140</u>

Introduction

1) Purpose and Scope of Policy

- a) This Statement of Investment Policies and Procedures (the “Policy”) sets out the investment principles, guidelines and procedures for investing and managing the assets and the associated risks for the University of Waterloo Pension Plan (2011), registration number 0310565, as amended (the “Plan”).
- b) The University of Waterloo (the “University”) was established by an Act of Legislature in the Province of Ontario. The University’s Board of Governors (the “Board”) has established a governance structure to administer the Plan.
- c) The Policy is informed by the requirements of the *Income Tax Act* (Canada) (“ITA”) and the *Pension Benefits Act* (Ontario) (“PBA”), including their respective regulations and all subsequent amendments, and any other applicable federal or provincial law governing the investment of pension funds, including Schedule III to the *Pension Benefits Standards Regulation, 1985* (Canada) (“PBSA”) (the foregoing are, collectively, the “Applicable Law”).
- d) The Policy is intended to summarize and explain the investment approach but does not supersede the Plan text, resolutions of the Board of Governors, the Applicable Law or the Plan’s Funding Policy & Guideline (the “Governing Documents”). In case of any dispute between this document and the Governing Documents, the Governing Documents shall prevail.
- e) The Pension & Benefits Committee and the Pension Investment Committee shall annually review and either confirm or recommend amendments to this Policy to the Board who may amend this Policy and direct the University to file any such amendments with the regulator in accordance with the Applicable Law. The University will provide any amended copy of this Policy to the Fund Managers and the Plan’s actuary.

2) Overview of the Plan and its Governance

- a) The Plan is a contributory defined benefit plan based upon an individual’s final average salary and years of participation in the Plan prior to retirement. Pensions paid under the Plan are escalated annually by the cost-of-living factor as described in the Governing Documents.
- b) The University is the sponsor and legal administrator of the Plan for the purposes of Applicable Law. The University through its Board is ultimately responsible for all aspects of managing the Plan, including the prudent investment and administration of the assets of the Plan. In accordance with the Governing Documents, the Board has created committees and subcommittees, delegated to University staff, and appointed external agents, to carry out certain of its responsibilities. University staff are responsible for distributing all pertinent reports and information to the appropriate committees based on their terms of reference as well as communicating with the Fund Managers and agents regarding the committees’ decisions.
- c) The University will comply with the Governing Documents and will exercise the care, diligence and skill in the administration and investment of the Plan’s assets (the “Fund”) that a person of ordinary prudence would exercise in dealing with the property of another person. The individuals acting on behalf of the Plan in furtherance of its duty will use all knowledge and skill that they possess or ought to possess in the administration and investment of the Fund.

Investment Principles

3) Plan Objectives

The objective of the Plan is to provide members of the Plan with the retirement benefits prescribed under the terms thereof.

- a) The University established the Plan to provide members with a defined level of retirement income in accordance with the Plan's terms. Further, the intent is to ensure that retirement benefits, and University and member contributions remain reasonable and relatively stable over the life of the Plan while ensuring its sustainability (the Plan's funding practices are detailed in the Funding Policy & Guideline, which establishes a formal framework to achieve the Plan's funding requirements).
- b) To achieve the Plan's goals, its assets will be invested in a prudent and efficient manner. The Plan will strive to maximize long-term real returns on its invested assets subject to an appropriate level of risk.

4) Investment Objectives

Return and risk objectives are established taking into consideration factors, including the nature and sensitivity of the Plan's liabilities; allocation of liabilities between active and retired members; the going concern and solvency positions of the Plan, as calculated and projected by the Plan's actuary; net cash flow position of the Plan and liquidity needs to meet Plan obligations; investment horizon of the Plan; historical and expected capital market returns; volatility of different asset classes; financial implications of Environmental, Social and Governance ("ESG") factors; inflation and interest rate risks; benefits of investment diversification; and the University's risk tolerance with respect to the Fund.

5) Portfolio Return and Risk Objectives

The return objectives of the Fund are:

- a) Earn a rate of return, after investment expenses, of CPI¹ + 3.5% over four-year moving periods. This objective is reviewed annually to ensure that it is realistic based on market conditions and consistent with the actuarial discount rate used to calculate the Plan's going concern liabilities
- b) Achieve a minimum absolute rate of return, after investment expenses, which exceeds the benchmark return by 0.25% over four-year moving periods

The risk objective of the Fund is to reduce the frequency and severity of funding deficits.

6) Expected Volatility

The volatility of the Fund's returns is directly related to the asset mix. The Benchmark Portfolio in Section 13 has been constructed with the expected returns and related risks in mind. Provided the Fund's investment structure stays within the permitted ranges for each asset class, the volatility of the Fund's returns should be similar that of the Benchmark Portfolio.

7) ~~Equity Returns/Risk~~ Risk Factors

~~While the level of equity exposure drives much of the risk level of the Fund assets, equities are expected to outperform fixed income over the long term. Therefore, the investment strategy will~~

¹ CPI source Bank of Canada Total CPI: <https://www.bankofcanada.ca/rates/price-indexes/cpi/>

~~include appropriate exposure to equities as part of providing the long-term risk-adjusted returns necessary to fund the obligations of the Plan at a reasonable cost.~~

The Plan's investments are subject to the following risk factors:

- a) Equity market
- b) Interest rates (which includes interest rate risk on both liabilities and assets)
- c) Credit
- d) Liquidity
- e) Inflation
- f) Currency
- g) Active manager underperformance
- h) Governance
- i) Operational
- j) Regulatory

The primary method for managing these risks is diversification. The Plan will be diversified by asset class, geography, security (through well-diversified portfolios of bonds, equities and alternatives), investment manager and investment style.

8) **Active and Passive Investments**

The investment strategy may employ a mix of active and passive management styles. Active management is adopted where there is a reasonable expectation of adding value relative to the relevant benchmark over the long-term, net of expenses. Passive management is adopted where the prospect of adding value above the relevant benchmark is diminished or for the purpose of managing active risk within asset classes.

~~9)~~ **Diversification**

~~Diversification is intended to expose the Fund to opportunities to reduce investment concentration risk. The Fund will pursue diversification by asset class and geography in its asset mix and by investment style in the selection of its investment managers.~~

~~10)9)~~ **Liability Hedging**

The Fund's investment strategy will consider the sensitivity of the Plan liabilities to interest rate and inflation changes and consider opportunities for hedging those liabilities through its investments.

~~11)10)~~ **Liquidity**

The investment strategy should provide sufficient liquidity to meet the Plan's financial obligations as they come due, while ensuring the Fund does not contain excessive cash or low yielding liquid assets. Provided the liquidity requirements of the Plan are met, the Plan may consider investing a portion of the Fund in illiquid assets, where such investment has the potential of enhanced returns, in part, due to the illiquidity premium.

11) Currency Hedging

Currency movements relative to the Canadian dollar are not expected to have a significant impact over the long term. The Plan policy is to not hedge currency at the total fund level. Over shorter periods, currency movements may increase volatility and currency hedging may be employed by Fund Managers where expressly permitted.

12) Asset Mix

The Fund will be invested in a broad range of assets with the goal of meeting or exceeding return expectations and mitigating investment risks. The following benchmark portfolio ("Benchmark Portfolio") is representative of the long-term asset mix policy for the Fund based on the analysis conducted in the asset-liability study.

Assets	Minimum %	Maximum %	Benchmark Portfolio %	Benchmark
Cash	0	5	2	FTSE TMX Canada 91-Day T-Bill Index
Fixed Income	20 15	35 25	20 25	FTSE TMX Canada Long Bond Index
Total Fixed Income	15	30	22	
Canadian Equity	0	10	5	S&P/TSX Composite
Global Equity	40	55	48	MSCI ACWI (Net) (CAD)
Total Equity	40	65	53	
<u>Listed</u> Infrastructure	0 5	10 45	5 40	FTSE Developed Core Infrastructure 50/50 (CAD)
<u>Direct</u> Infrastructure	<u>0</u>	<u>10</u>	<u>5</u>	OECD CPI +5%
<u>Listed</u> Real Estate	5 0	45 10	5 40	FTSE EPRA/NAREIT Developed (CAD)
<u>Direct</u> Real Estate	<u>0</u>	<u>10</u>	<u>5</u>	MSCI Global Property Funds Index (CAD)
Total Real Assets	10	30	20	
<u>Private Debt</u>	<u>0</u>	<u>10</u>	<u>5</u>	SOFR + 4%

For the purpose of the total asset mix described above, the Fund Managers' asset class pooled funds are deemed to be 100% invested, even though these funds may contain a portion held in cash and cash equivalent instruments.

The Plan's target asset allocation for each investment category listed in subsection 76(12) of Regulation 909 under the *Pension Benefits Act* (Ontario) is as follows:

Asset Class under Sub-section 76(12) of Regulation 909, under the <i>Pension Benefits Act</i> (Ontario)	Long Term
---	-----------

	Target Allocation
1. Insured Contracts	0.0%
2. Mutual or pooled funds or segregated funds	0.0%
3. Demand deposits and cash on hand	1.0%
4. Short-term notes and treasury bills	1.0%
5. Term Deposits and guaranteed investment certificates	0.0%
6. Mortgage Loans	0.0%
7. Real Estate	10.0%
8. Real Estate Debentures	0.0%
9. Resource properties	0.0%
10. Venture Capital	0.0%
11. Corporations referred to in subsection 11(2) of Schedule III to the federal investment regs	0.0%
12. Employer issued securities	0.0%
13. Canadian stocks other than investments referred to in 1 to 12 above	5.0%
14. Non-Canadian stocks other than investments referred to in 1 to 12 above	48.0%
15. Canadian bonds and debentures other than investments referred to in 1 to 12 above	20 5.0%
16. Non-Canadian bonds and debentures other than investments referred to in 1 to 12 above	0.0%
17. Investments other than investments referred to in 1 to 16 above ²	15 0.0%

14)13) Rebalancing

At all times, the market value of the individual asset classes will be within the minimum and maximum aggregate investment limits prescribed in Section [43-12](#) but may deviate from the benchmark portfolio.

~~The minimum portfolio weight for the real estate asset class will be achieved over a market cycle and may be held in fixed income and equities during the intervening period. The Board recognizes that, due to the illiquid nature of the real asset and private debt asset classes, that the target allocation will be invested gradually and held in fixed income and equities during the intervening period.~~

15)14) Responsible Investing

Consistent with its fiduciary duty, when selecting Fund Managers or direct investments, the Plan considers criteria that include: the Fund Manager's business and staff; historical performance; the integration of environmental, social and governance (ESG) factors, including climate change risks and opportunities, which may have a financial impact on the investments, as well as the Fund Manager's Responsible Investing Policy. The adoption of sound ESG practices is intended to reduce financial risk over all time periods and offer enhanced long-term value to the Fund. The Plan's ESG practices are further detailed in the University of Waterloo Responsible Investment Policy.

Permitted and Prohibited Investments

16)15) Permitted Investments

In general, and subject to the restrictions in Sections [47-16](#) & [48-17](#), the Fund Manager may invest in

² Refers to the long-term target allocation to Infrastructure [and Private Debt](#)

any of the following asset classes and in any of the investment instruments listed.

a) Cash and Short-Term Investments

Cash on hand, demand deposits, treasury bills, short-term notes and bankers' acceptances, commercial paper, term deposits and guaranteed investment certificates having a term of less than or equal to one year.

b) Fixed Income

Bonds, debentures, or other debt instruments of corporations, Canadian Governments, Government agencies, or guaranteed by Governments, supnationals, federal real return bonds, mortgage-backed securities, mortgages, asset-backed securities, non-convertible preferred shares, term deposits, guaranteed investment certificates, insurance contracts, private placements and bonds where capital, interest or both are linked to increases in the cost-of-living (i.e., real return bonds).

c) Equities

Common shares, preferred shares, American Depository Receipts, Global Depository Receipts, rights, warrants, installment receipts, index units, income trust units (including real estate investment trusts) and securities convertible into common shares.

d) Derivatives

Derivatives are a type of financial contract which can be traded on an exchange or over the counter for which the value is dependent on an underlying asset, group of assets or a benchmark; common derivatives include futures contracts, forwards, options and swaps.

The pooled funds in which the Plan invests may invest directly in derivatives to create synthetic exposures, or for hedging purposes, if their objectives and strategies permit, and if the exposure to derivatives is subject to limits based on the intended use and strategies for derivatives and the risks associated with them. Derivatives may also be used to hedge currency and provide downside protection. Derivatives may not be used for speculative trading or to create a portfolio with leverage. Investment funds that invest in derivatives must comply with all Applicable Law and must be invested and managed in accordance with regulatory derivatives best practices.

e) Infrastructure

Listed, direct or indirect investments in the debt or equity securities of infrastructure entities including the transportation, energy, utilities, telecommunications and social infrastructure sectors.

f) Real Estate

REITs, direct or indirect investments in the debt or equity securities of real property assets including industrial, office, retail, multi-residential, agriculture and timberland properties.

g) Private Debt

Senior and junior debt instruments including secured and unsecured loans, bonds and other related instruments.

g)h) Pooled Funds

Investments in open-ended or closed-ended pooled funds, or private/limited partnerships, provided that the assets of such funds are permissible investments under this Policy. It is recognized that where pooled funds are held, there may be instances where there is a conflict between this policy and the investment policy of the pooled fund. In that case, the pooled fund policy shall dominate.

The Fund manager shall ensure that the Plan has received a copy of the most recent version of the pooled fund policy.

17)16) Minimum Quality Requirements

a) Quality Standards

- i) The minimum quality standard for publicly-traded individual bonds and debentures is 'BBB' or equivalent as rated by at least two at least one Recognized Bond Rating Agencies, at the time of purchase. Where an investment in the portfolio is downgraded below a 'BBB' rating, the following steps will be taken:
 - The Fund Manager will notify the Plan of the downgrade at the earliest possible opportunity;
 - Within ten business days of the downgrade, the Fund Manager will advise the Plan in writing of the course of action taken or to be taken by the Fund Manager, and its rationale; and
 - Immediately upon downgrade, the Fund Manager will place the asset on a Watch List subject to monthly review by the Fund Manager with the Plan until such time as the security matures, is sold or until it is upgraded to a level consistent with the purchase quality standards as expressed in this policy.
- ii) In cases in which the Recognized Bond Agencies do not agree on the credit rating, the bond will be classified according to the methodology used by FTSE TMX, which states as follows:
 - If two agencies rate a security, use the lower of the two ratings; or
 - If three agencies rate a security, use the middle of the three ratings; or
- iii) If four agencies rate a security, use the middle of the three lowest ratings. Private Debt investments that are rated internally by the investment manager as investment grade and non-investment grade are permitted.

b) Rating Agencies

For the purposes of this Policy, the following rating agencies shall be considered to be 'Recognized Bond Rating Agencies:'

- i) ~~DBRS~~ Morningstar DBRS;
- ii) Standard & Poor's; and
- iii) Moody's Investors Services; and
- iv) Fitch Ratings

18)17) Maximum Quantity Restrictions

a) Total Plan Level

The Plan shall not, directly or indirectly, lend or invest moneys to or in any one person, any associated persons or any affiliated corporations if:

- i) 10% or more of the total market value of the Plan's assets has already been lent or invested, in total, to or in the person, the associated persons or the affiliated corporations; or
- ii) 10% or more of the total market value of the Plan's assets would be lent or invested, in total

to or in the person, the associated persons or the affiliated corporations as a result of the loan or investment.

- iii) Holdings issued by the Government of Canada and its agencies are exempt from the abovementioned 10% limitations.

The Plan shall not, directly or indirectly, invest moneys in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation.

This section applies to those investments and loans subject to quantitative limit under Section 9(1) of Schedule III to Pension Benefits Standards Regulations, 1985 (Canada).

b) Fixed Income

- i) A maximum of 15% of the market value of the Canadian fixed income securities shall be invested in BBB bonds or debentures.
- ii) A maximum of 10% of the market value of the actively managed fixed income portfolio may be invested in debt denominated in US currency issued by the US Government, its agencies and instrumentalities. Fixed Income in any other ~~No other~~ foreign currency ~~debt~~ will not be purchased.

c) Equities

No one equity holding shall represent more than 10% of the total market value of the investment manager portfolio.

19)18) Fund Manager Compliance

Fund Managers must be compliant with the Policy, the Fund Implementation Procedures and the Responsible Investment Policy.

The Fund Managers shall not make investments in asset categories other than those explicitly permitted in the Policy, unless the Plan first consents in writing.

20)19) Securities and Cash Lending

The Fund Managers and custodian may participate in securities lending programs for the purpose of generating revenue, subject to the provisions of the Applicable Law.

Such loans must be secured by cash and/or readily marketable government bonds, treasury bills and/or letters of credit, discount notes, banker's acceptances of Canadian chartered banks, or high quality, liquid equities. The amount of collateral taken for securities lending should reflect OSFI standards and best practices in local markets. This market value relationship must be calculated at least daily.

Fund Managers and custodians participating in securities lending will make available the terms and conditions of any securities lending program(s) with the Plan.

21)20) Short Selling

Short selling and/or pair trading are not permitted.

22)21) Borrowing

The Plan shall not borrow money, except to cover short-term contingency and the borrowing is for a period that does not exceed ninety days, subject to the PBA and the ITA.

23)22) Monitoring

Compliance with this Policy, together with relevant risk metrics, will be monitored quarterly including:

- a) Achievement of the total return objective
- b) Liquidity requirements
- c) Asset mix limits
- d) Credit quality requirements
- e) Single issuer limits
- f) Fund Manager Performance and related ESG integration

General Provisions

24)23) Conflicts of Interest

a) Responsibilities

This standard, which is consistent with the University Policy 69 (Conflict of Interest) applies to the University and the members of the University, as well as to all agents employed by the Plan, in the execution of their responsibilities under the Pension Benefits Act (the “Affected Persons”).

An “agent” is defined to mean a company, organization, association or individual, as well as its employees who are retained to provide specific services with respect to the investment, administration and management of the assets of the Plan.

b) Disclosure

In the execution of their duties, the Affected Persons shall disclose any material conflict of interest relating to them, or any material ownership of securities, which could impair their ability to render unbiased advice, or to make unbiased decisions, affecting the administration of the Plan assets.

Further, it is expected that no Affected Person shall make any personal financial gain (direct or indirect) because of his or her fiduciary position. However, normal and reasonable fees and expenses incurred in the discharge of their responsibilities are permitted if documented and approved by the Plan.

No Affected Person shall accept a gift or gratuity or other personal favour, other than one of nominal value, from a person with whom they deal with in the course of performance of his or her duties and responsibilities for the Plan.

It is incumbent on any Affected Person who believes that he or she may have a conflict of interest, or who is aware of any conflict of interest, to disclose full details of the situation to the attention of the University immediately. The University, in turn, will decide what action is appropriate under the circumstances but, at a minimum, will table the matter at the next regular meeting of the appropriate committee.

No Affected Person who has or is required to make a disclosure as contemplated in this Policy shall participate in any discussion, decision or vote relating to any proposed investment or transaction in respect of which he or she has made or is required to make disclosure.

25)24) Voting Rights

The voting rights acquired through the investments held by the Plan are delegated to the Fund Managers of the securities. Fund Managers are expected to exercise all voting rights related to investments held by the Plan in the best interests of the Plan. Fund Managers shall report their voting activities to the Plan on a quarterly basis documenting how they voted as well as how ESG factors were included in the rationale for the voting decision.

26)25) Valuation of Investments Not Regularly Traded

The following principles will apply for the valuation of investments that are not traded regularly:

a) Equities

Average of bid-and-ask prices from two major investment dealers, at least once every month.

b) Fixed Income

Same as for equities.

c) Real Assets and Private Debt

The fair value of infrastructure, and real estate and private debt investments is determined by the general partner, or the pooled Fund Manager based on industry standards, which may include consideration of previous transaction prices, discounted cash flow, and the valuations of other comparable publicly traded investments. Limited partnerships and pooled funds will be audited annually by a qualified independent third party appointed by the fund's general partner or Fund Manager.

27)26) Related Party Transactions

The University, on behalf of the Plan, may not enter into a transaction with a related party unless:

- a) The transaction is made for the operation or administration of the Plan under terms and conditions that are not less favourable to the Plan than market terms and conditions and such transaction does not involve the making of loans to, or investments in, the related party; or
- b) The combined value of all transactions with the same related party is nominal or the transaction(s) is immaterial to the Plan.

For the purposes of this section, only the market value of the combined assets of the Plan shall be used as the criteria to determine whether a transaction is nominal or immaterial to the Plan.

Transactions less than 0.5% of the combined market value of the assets of the Plan are considered nominal.

In addition, the prohibition to entering into transactions with a related party does not apply to investments:

- a) In an investment fund in which investors other than the Administrator and its affiliates may invest and that complies with the requirements set out in Sections 9 and 11 of Schedule III to the PBSA;
- b) In an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
- c) In securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
- d) In a fund composed of mortgage-backed securities that are fully guaranteed by the Government

of Canada, the government of a province, or an agency of either one of them;

- e) In a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the PBSA); and
- f) That involve the purchase of a contract or agreement in respect of which the return is based on performance of a widely recognized index of a broad class of securities traded at a marketplace (as that term is defined in the PBSA).

A “related party” in respect of the Plan means:

- a) A person who is the administrator of the Plan including any officer, director or employee of the administrator. It also includes the Fund Managers and their employees, a union representing employees of the employer, a member of the Plan, a spouse or child of the persons named previously, or a corporation that is directly or indirectly controlled by the persons named previously, among others. Related party does not include government or a government agency, or a bank, trust company or other financial institution that holds the assets of the Plan, where that person is not the administrator of the Plan;
- b) An officer, director or employee of one of the administrators of the Plan;
- c) A person responsible for holding or investing the assets of the Plan, or any officer, director or employee thereof;
- d) An association or union representing employees of the University, or an officer or employee thereof;
- e) A member of the Plan;
- f) The spouse or child of any person referred to in any of paragraphs (a) to (e);
- g) An affiliate of the University;
- h) A corporation that is directly or indirectly controlled by a person referred to in any of paragraphs (a) to (g); and/or

An entity in which a person referred to in paragraph (a) or (b), or the spouse or a child of such a person, has a substantial investment.

Fund Implementation Procedures

University of Waterloo Pension Plan (2011)

Registration number: 0310565

Effective: ~~February 1, 2024~~ November 1, 2024

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Contents

Fund Implementation Procedures	2
1) Delegation of Responsibility	2
2) Performance Measurement & Monitoring	5
3) Compliance Reporting by Fund Manager	5
4) Audit	6 5
5) Monitoring of Asset Mix	6
6) Selecting Fund Managers	6
7) Monitoring Fund Manager Performance	6
8) Dismissal of Fund Manager	6
9) Rebalancing Policy	7
10) Liability Hedging	7
Appendix A — Fund Manager Compliance Letter	8

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Fund Implementation Procedures

This Fund Implementation Procedures (FIP) document outlines the monitoring and reporting obligations of Board committees, University staff, and third parties engaged to provide services to the Plan. With respect to the investment of pension assets, this policy is intended to be read together with the Statement of Investment Policies and Procedures (SIPP) established for the Plan, as amended from time to time. To the extent there is any conflict in the investment principles and approach as set out in this FIP or the SIPP, the SIPP shall govern.

1) Delegation of Responsibility

The Board of Governors of the University of Waterloo (the “Board”) has established a Pension Investment Committee (“PIC”) to assist in the determination and execution of the Plan’s overall investment philosophy, policies, objectives and strategies for the Plan, a Finance & Investment Committee (F&I) established to provide expert investment advice to PIC, and a Pension & Benefits Committee (P&B) to provide oversight of the pension plan (the “Committees”).

The Committees, contracted third party professional firms and University staff will carry out the responsibilities listed below.

a) PIC will:

- i. perform oversight activities as in the PIC Terms of Reference. To the extent there is any conflict this document and the Terms of Reference the Terms of Reference shall govern;
- ii. review this document annually and recommend any changes to P&B;
- iii. review Fund Manager performance, total Fund performance and achievement of the total return objective on a quarterly basis;
- iv. make recommendations on the selection of Fund Managers and investment funds to P&B, consulting with F&I as applicable;
- v. approve asset mix changes and investment decisions where the cumulative annual transaction(s) represent less than 20% of market value of the Plan’s total assets at the beginning of the calendar year;
- vi. consult with F&I, prior to making recommendations to P&B, for additional investment decisions which cumulatively impact more than 20% of the market value of Plan’s total assets as measured at the beginning of the calendar year;
- vii. commission asset liability studies at least every 10 years and in cases of significant changes in actuarial assumptions or capital market forecasts, consulting with P&B as applicable
- viii. determine when active vs passive management strategies are appropriate
- ix. review Plan liquidity requirements
- x. convene a meeting with P&B in the event of a significant market event or shift to discuss issues and market opportunities; and
- xi. provide quarterly reports to P&B and F&I.

b) P&B will make recommendations to the Board in the following areas, consulting with PIC with respect to investment philosophy, policies, objectives and strategies for the Plan:

- i. the content of the SIPP after its annual review and consideration of recommendations from PIC;
 - ii. the selection of a Custodian/Trustee to hold the pension fund assets.
- c) In addition, the P&B Committee will:
- i. approve the content of this FIP in consultation with PIC;
 - ii. review the Fund's Funding Policy & Guideline at least every three (3) years, and approve changes as necessary;
 - iii. appoint a Consulting Actuary;
 - iv. appoint an Investment Consultant;
 - v. select Fund Managers and/or investment funds, based on the recommendation from PIC;
 - vi. approve asset mix changes and investment decisions where the cumulative annual transaction(s) exceed 20% of the market value of the Plan's total assets at the beginning of the calendar year, based on the recommendation from PIC; and
 - vii. review reports from PIC on Fund Manager performance and pension fund performance on at least a quarterly basis, as well as reviewing the outlook of the fund overall; and
 - viii. report to Plan members on at least an annual basis.
- d) The Fund Managers will:
- i. forward to University staff (for review and discussion at PIC) quarterly reviews of investment performance, expectations of future returns on various asset classes and proposed investment strategies for the following 12 to 24 months;
 - ii. manage asset mix and select securities within each asset class, subject to applicable legislation and the philosophy and other constraints set out in the SIPP, this document and the Responsible Investment Policy (RIP);
 - iii. forward to University staff (for review and discussion at PIC) quarterly reports describing their ESG analysis, approach and metrics, and periodically forward a climate risk assessment of their portfolio including any scenario analysis;
 - iv. advise University staff (for review and discussion at PIC) immediately of any changes in its senior investment personnel and/or significant changes in the size or mix of assets managed;
 - v. comply with all applicable legislation concerning the investment of the pension fund, including the Pension Benefits Act (Ontario) ("Applicable Laws");
 - vi. complete and deliver a compliance report (see Appendix A) to University staff and the Fund's Investment Consultant each quarter. The compliance report will indicate whether or not the Fund Manager was in compliance with Applicable Laws, the SIPP and the RIP during the quarter. In the event that the Fund Manager is not in compliance with Applicable Laws, the SIPP and/or the RIP, the Fund Manager is required to immediately advise University staff (for discussion at PIC), detail the nature of the non-compliance and recommend the appropriate course of action to remedy the situation;
 - vii. comply, at all times and in all respects, with the Code of Ethics and Standards of

Professional Conduct as promulgated by the CFA Institute;

viii. in managing the Plan assets, the Fund Manager shall at all times exercise the degree of care that a person of ordinary prudence would exercise in dealing with the property of another person and shall use all relevant knowledge and skill which it possesses, or by reason of its profession, ought to possess.

e) The Consulting Actuary (or his/her delegate approved by P&B) will:

- i. assist in the preparation and subsequent annual reviews of the SIPP and any supplementary documents;
- ii. comment on any changes in the Plan's benefits, membership or contribution flow which may affect how the Plan's assets are invested;
- iii. assist University staff, the PIC and P&B, as needed, in the implementation of the SIPP and this document;
- iv. support PIC and P&B on matters related to investment risk management and administration of the Plan; and
- v. meet with University staff, PIC and P&B as required.

f) Investment Consultant will:

~~i.~~ assist in the preparation and subsequent annual reviews of the SIPP and any supplementary documents;

~~ii.~~ participate in all reviews of the Fund Managers;

~~iii.~~ report quarterly on the performance of the Fund Managers and the Plan;

~~iv.~~ comment on the impact of potential investment opportunities/strategies/legislative changes which may affect how the Plan's assets are invested;

~~v.~~ monitor the performance of the Plan and the Fund Managers on a regular basis, and contact University staff immediately if there are adverse changes of any kind, which warrant further review and/or discussion with PIC;

~~vi.~~ meet with University staff, PIC and P&B as required.

g) Performance Measurement Service Providers will:

- i. Provide detailed performance reporting in the required format including ESG integration by Fund Managers as well as the carbon metrics for the total Plan asset portfolio

h) The Custodian/Trustee will:

- i. fulfill the regular duties required by law of a Custodian/Trustee and perform the specific duties required of the Custodian/Trustee pursuant to agreements entered into from time to time with the University on behalf of the Plan; and
- ii. provide University staff with monthly portfolio reports of all assets of the Plan and transactions during the period.

i) University staff will:

- i. Prepare reporting for the PIC, P&B and F&I committees on Plan investment matters and act

as resources to these Committees in this regard

- ii. Act as a contact for contracted third party professional firms relating to the investment of the Plan's assets and provide administration and monitoring related to these firms' contracts and deliverables

iii. Provide cash flow information as necessary or requested by PIC

~~iii.~~iv. Make determinations on investment distributions (interest, dividends, capital distributions, etc.) based on cash requirements, authorizing cash payouts or distribution reinvestments as required

~~iv.~~v. Monitor Fund Manager's and overall compliance with the SIPP, FIP, and RIP

~~v.~~vi. Appoint Performance Measurement Service Providers.

2) Performance Measurement & Monitoring

For purposes of evaluating the performance of the Fund Managers, all rates of return are measured over rolling four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources.

Performance reporting provided by the Fund Managers and the Investment Consultant will include annualized returns when available for ~~15 or greater years~~ 5 years ~~1 year and greater~~, as well as a detailed attribution analysis for the most recent quarter and year-to-date periods.

The Investment Consultant will report on each Fund Manager's performance relative to their peers.

In addition to performance criteria, the following factors will also be monitored and evaluated:

- a) Stability of the investment firm (personnel, assets under administration, operational capabilities, etc.);
- b) Investment objective and portfolio composition;
- c) Changes in the investment philosophy used in the investment fund;
- d) Consistency of style or approach;
- e) Adherence to investment policy statement; and
- f) ESG analysis and reporting including climate risk assessment and carbon metrics

3) Compliance Reporting by Fund Manager

The Fund Manager is required to complete and deliver a compliance report to University staff and the Plan's investment consultant each quarter. The compliance report will indicate whether or not the Fund Manager was in compliance with Applicable Laws, the SIPP, FIP and the RIP during the quarter.

In the event that a Fund Manager is not in compliance with Applicable Laws, the SIPP, FIP and/or the RIP the Fund Manager is required to immediately advise University staff, detail the nature of the non-compliance and recommend an appropriate course of action to remedy the situation.

While the guidelines in the SIPP are intended to guide the management of the assets, it is recognized that, where pooled funds are held, there may be instances where there is a conflict between the SIPP and the investment policy of a pooled fund. In that case, the pooled fund policy shall dominate, subject to the compliance reporting procedures outlined in this section. However, the Fund Manager is required to advise University staff, in advance, if there are any material

discrepancies between the SIPP and the pooled fund's own investment guidelines. In addition, the Fund Manager will ensure that University staff have received a copy of the most recent version of the pooled fund policy and of any amendments made to the pooled fund policy.

4) Audit

The Plan's financial reporting for the regulatory authorities shall be audited annually by external auditors appointed by the University.

5) Monitoring of Asset Mix

In order to ensure that the assets of the Plan operate within the minimum and maximum asset mix ranges, as prescribed in the SIPP, PIC shall review the asset mix at least quarterly. Please refer to the section on Rebalancing Policy.

6) Selecting Fund Managers

Should PIC determine that there is a requirement for an additional Fund Manager, PIC will establish a sub-committee to undertake a Fund Manager search. The criteria used for selecting a Fund Manager will be consistent with the investment and risk philosophy set out in the SIPP. Although each search process will apply a specific list of considerations, the evaluation criteria shall include:

- a) Establishing the relevant performance benchmark
- b) Performance history
- c) Quality of the firm and the fund specific investment team
- d) Quality and consistency of the fund's investment process
- e) Quality and transparency in reporting including valuation methods
- f) ESG integration within the investment process and related reporting, including reporting on the Manager's integration of climate related risk factors and disclosure of carbon metrics
- g) Risk management approach
- h) Competitiveness of fees
- i) Terms of the applicable investment management agreement

7) Monitoring Fund Manager Performance

At least quarterly, University staff will monitor and review:

- a) Each Fund Manager's staff turnover, consistency of style and record of service;
- b) Each Fund Manager's current economic outlook and investment strategies including ESG approach;
- c) Each Fund Manager's compliance with the SIPP, FIP and RIP; and
- d) Investment performance of the assets of the Plan in relation to the rate of return expectations outlined in the SIPP.

8) Dismissal of Fund Manager

Reasons for considering the termination of the services of a Fund Manager include, but are not limited to, the following factors:

- a) Performance results which are below the stated performance benchmarks;
- b) Changes in the overall structure of the Plan's assets such that the Fund Manager's services are no longer required;
- c) Change in personnel, firm structure or investment philosophy which might adversely affect the potential return and/or risk level of the portfolio; and/or
- d) Failure to adhere to the SIPP, FIP or RIP.

9) Rebalancing Policy

University staff shall monitor the asset mix and the net cash flow on a quarterly basis. Rebalancing will occur when the market value of an asset class varies from the limits set out in the SIPP, or if any individual Fund Manager's component exceeds a limit set out in the SIPP.

Rebalancing will be generally implemented within two quarters by:

- a) Redirecting the net cash flows [administered monthly by University staff and not included in PIC's cumulative 20% asset mix change threshold]
- b) Transfer of cash between portfolios
- c) Liquidating exceedances and directing those to assets below the benchmark taking into account the transaction costs and liquidity of the particular asset class

Notwithstanding the rebalancing policy, in certain circumstances, PIC may adjust the weight of any asset class within the permitted ranges for the purpose of protecting capital and managing risk.

10) Liability Hedging

PIC will determine the type of investment strategies, if any, to be implemented to hedge the interest rate and/or inflation sensitive liabilities of the plan.

Appendix A — Fund Manager Compliance Letter

To be completed by fund managers each quarter.

**UNIVERSITY OF
WATERLOO**

_____, 202_

This is to certify that I/we have complied with the *Pension Benefits Act* (Ontario) and all other laws and regulations applicable to the investment of the Pension Plan's assets and adhered to the guidelines contained in the Statement of Investment Policies and Procedures, the Fund Implementation Procedures for the University of Waterloo Pension Plan (2011), and the Responsible Investment Policy as approved by the Board of Governors of the University of Waterloo as well as the investment management agreement in place

Signed _____

On behalf of _____

Date _____

For Decision**Open Session**

Date of Meeting: October 17, 2024
To: Members, Pension & Benefits Committee
From: Sarah Willey-Thomas, Associate University Secretary
RE: **3. Pension**

3.2. Plan Text Amendments

Lee Hornberger, Director, Total Rewards, will present the Biosimilar Transition Program to the Committee.

The Committee received a presentation from Aon regarding Plan Text Changes at its meeting in September 2024.

Recommendation:

That the Pension & Benefits Committee recommend that the Board of Governors approve the Amendment Number 10 to the University of Waterloo Pension Plan for Faculty and Staff.

Documentation Provided:

- University of Waterloo Pension Plan for Faculty and Staff – Amendment No. 10

https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-2025 Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/3.2. Plan Text Amendments.docx

**UNIVERSITY OF WATERLOO
PENSION PLAN FOR FACULTY AND STAFF**

Amendment No. 10

The Board of Governors of the University of Waterloo resolves that the University of Waterloo Pension Plan for Faculty and Staff (amended and restated effective January 1, 2011), Registration Number 0310565 (the “Plan”), is amended to as follows:

1. Effective September 1, 2024, Section 3.01 (Employees (Other Than Definite-Term Lecturers)) and Section 3.02 (Definite-Term Lecturers) shall be amended by replacing “Definite-Term Lecturers” wherever such phrase appears with “Definite Term Assistant Professors, Teaching Stream”.
2. Effective January 1, 2025, a new Section 2.09.1 shall be added to the Plan following Section 2.09 (Contract Year) as follows:

“2.09.1 **“Contributory Earnings”** means the maximum Earnings, in a calendar year, upon which a Member is required to contribute pursuant to Section 4.01 (Required Member Contributions), effective January 1, 2025. “Contributory Earnings” for 2025 are equal to \$224,500 and will be increased each calendar year, beginning January 1, 2026, at the same rate as the increase in the Average Industrial Wage, subject to adjustments made on the advice of the Actuary.

For purposes of this Section, “Average Industrial Wage” means the average industrial wage as published by Statistics Canada under the authority of the *Statistics Act* (Canada) for purposes of increasing the Year’s Maximum Pensionable Earnings and the maximum pension pursuant to the Income Tax Act.”

3. Effective January 1, 2025, paragraph (a) (General) of Section 4.01 (Required Member Contributions) shall be deleted in its entirety and replaced with the following:

“(a) General
Subject to Section 4.01(b), (c), (d) and (e), each Member is required to contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Contribution Rate on Earnings		
Effective Date	Not in Excess of Year’s Maximum Pensionable Earnings (for that year)	In Excess of Year’s Maximum Pensionable Earnings But Not in Excess of the Member’s Contributory Earnings (for that year)
January 1, 2025	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

For greater certainty, prior to 2025 contributions on Earnings in excess of the Year’s Maximum Pensionable Earnings were not limited by the Member’s Contributory Earnings.”

4. Effective January 1, 2025, paragraph (b) (Part-Time) of Section 4.01 (Required Member Contributions) shall be replaced with the following:

“(b) Part-Time

A Member who is part-time shall contribute to the Plan by payroll deduction for each year (including a partial year) of participation in accordance with the following table:

Effective Date	Contribution Rate on Reduced Earnings	
	Not in Excess of Year's Maximum Pensionable Earnings (for that year)	In Excess of Year's Maximum Pensionable Earnings But Not in Excess of the Member's Contributory Earnings (for that year)
January 1, 2025	7.80%	11.20%

Notwithstanding the above, a Member shall not be required to contribute for any period while he or she is Totally Disabled.

For greater certainty, prior to 2025 contributions on Earnings in excess of the Year's Maximum Pensionable Earnings were not limited by the Member's Contributory Earnings.”

5. Effective January 1, 2025, Section A1.01 (Past Member Contribution Rates) in Appendix – Historical Provisions shall be deleted in its entirety and replaced with the following:

“A.1.01 Past Member Contribution Rates

The chart below sets out past required Member contribution rates that preceded the rates currently set out in Section 4.01(a) and (b) of the Plan. In the chart below:

(A) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which does not exceed the Year's Maximum Pensionable Earnings for the year of contribution;

(B) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceeds the Year's Maximum Pensionable Earnings for the year of contribution, up to two times the Year's Maximum Pensionable Earnings for the year of contribution if (c) is applicable; and

(C) applies to that portion of the Member's Earnings or Reduced Earnings (as the case may be) which exceed two times the Year's Maximum Pensionable Earnings for the year of contribution.

Applicable Dates of Service	Contribution Rates		
	(A)	(B)	(C)
May 1, 2022 to December 30, 2024	7.80%	11.20%	11.20%
May 1, 2021 to April 30, 2022	7.40%	10.60%	10.60%
May 1, 2020 to April 30, 2021	6.95%	9.95%	9.95%
January 1, 2013 to April 30, 2020	6.25%	8.95%	9.95%
May 1, 2009 to December 31, 2012	5.80%	8.30%	9.65%
July 1, 2008 to April 30, 2009	5.05%	7.85%	9.20%
July 1, 2007 to June 30, 2008	4.80%	7.175%	7.85%
January 1, 2003 to June 30, 2007	4.55%	6.50%	n/a
May 1, 2002 to December 31, 2002	2.73%	3.90%	n/a
May 1, 2001 to April 30, 2002	1.82%	2.60%	n/a
May 1, 2000 to April 30, 2001	1.1375%	1.625%	n/a
May 1, 1999 to April 30, 2000	2.4375%	3.25%	n/a
May 1, 1998 to April 30, 1999	1.1375%	6.50%	n/a
May 1, 1997 to April 30, 1998	2.4375%	3.25%	n/a
September 1, 1995 to April 30, 1997	4.875%	6.50%	n/a
September 1, 1993 to August 31, 1995	4.3875%	5.85%	n/a
January 1, 1987 to August 31, 1993	4.875%	6.50%	n/a

Prior to January 1, 1987, the required Member contribution rate was 6.50%, less the Member's contribution to the Canada Pension Plan."

CERTIFICATION

I _____, Secretary to the Board of Governors of the University of Waterloo, do hereby certify under the seal of the University that the foregoing resolution was duly approved by the Board of Governors at a meeting held on the ___ day of _____, 2024.

Signature

Date

For Information**Open Session**

Date of Meeting: October 17, 2024

To: Members, Pension & Benefits Committee

From: Sarah Willey-Thomas, Associate University Secretary

RE: **4. Other Business**

4.1. Pension & Benefits Committee Orientation

The Pension Investment Committee receives an annual orientation, typically held during the first meeting of Fall semester.

The orientation slide deck is enclosed for the information of members and is intended to provide a high level summary of key policies, documents and resources for the Committee as well as logistical information related to the Committee.

Committee Resources will present the Committee Orientation slide deck.

Documentation Provided:

- Slide Deck - Pension & Benefits Orientation

[https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-25 Meetings/2024- Meeting/1. Agenda and Minutes/1_Open Session1. Committee Orientation.docx](https://uofwaterloo.sharepoint.com/sites/sec/RDrive_Content/Temp/Board%20and%20Board%20Committees/Pension%20&%20Benefits/Meetings/2024-25%20Meetings/2024- Meeting/1. Agenda and Minutes/1_Open Session1. Committee Orientation.docx)

Pension and Benefits Committee Orientation

September 2024



COMMITTEE TERMS OF REFERENCE

Key Elements of Terms of Reference

The Committee has the full power to administer the employee pension and benefits plans, including but not limited to:

- Pension Plan Administration
- Oversight of Pension Investments
- Reporting and Liaison

The Committee delegates day-to-day responsibility for the administration of the pension and benefits plans to Human Resources of the University.

The purpose of the Committee is to make and enforce such rules and regulations necessary for the effective and efficient administration of the plans.

Key Elements of Terms of Reference - Pension Plan Administration

- Facilitate effective and efficient administration of the pension plan in accordance with legislation and regulations and decide all questions concerning the pension plan.
- Provide an annual report to the Board of Governors with respect to the operation of the Pension Plan.
- Review annual audit of the Pension Plan Fund Financial Statements.
- Appoint actuary and commission research on pension or benefits.
- Recommend changes in pension and benefits plans – being mindful of the financial context / impact to the University.
- Make policy decisions relevant to administration of benefits of plans.
- Recommend appointment of custodians / trustees to the Board.

Key Elements of Terms of Reference - Oversight of Pension Investments

- **Investment Policy for pension assets**
 - Receive recommendations from the Pension Investment Committee on updates / revisions to:
 - Statement of Investment Policy and Procedures (SIPP) and
 - Fund Implementation Procedures (FIP)
 - Recommend Investment Policy to the Board of Governors
- **External Fund Managers**
 - Receive recommendations from the Pension Investment Committee related to:
 - The approval / termination of external fund managers and / or mandates for the pension fund investments
 - Approve on behalf of the Board of Governors
- **Responsible Investment Policy**
 - Oversee and ensure compliance with the policy through the Pension Investment Committee
- **Asset mix changes and investment decisions** where the cumulative annual amount is **greater than 20%** of the Plan's total assets
 - Approve recommendations received from PIC

Key Elements of Terms of Reference – General Provisions

- Members of the Committee may participate in the benefits under the pension plan provided they are otherwise eligible to do so.
- No compensation for committee members except as otherwise provided by the Board of Governors of the University.
- No bond or other security shall be required of any member of the Committee in such capacity in any jurisdiction, except as expressly required by law.
- No personal liability unless willful and intentional.
- Entitled to rely conclusively on information provided by third parties and experts.
- Decisions / actions apply to all persons with like circumstances; no person specific exceptions.

Committee Membership

<i>Constituency</i>	<i>Name</i>
Vice-President, Academic & Provost	James Rush
Vice-President, Administration & Finance	Jacinda Reitsma
Community-at-Large / Lieutenant Governor in Council	Teresa Fortney [Chair] Linda Blair
Presidential Appointed members	Michelle Hollis Sarah Hadley
Regular Faculty	James Thompson Elizabeth Demers Danielle Deveau
Regular University Support Staff	Lily Hua Melissa Graham
CUPE Local 793 Staff	Trevor Askes
OPSEU	Ashley-Ann Morgado
Retiree	David Taylor
Non-Voting AFIW	Sarah Cressman

Committee Work Plan

- Provides a basic timeline for items to come before the Committee
- Intended for planning purposes but subject to change and adjustment throughout the year
- Available in each agenda package

UNIVERSITY OF WATERLOO

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
<p>P - Planned ✓ - Complete</p>								
OPEN SESSION								
Execution against Committee Work Plan	✓	✓	✓	P	P	P	P	P
Minutes of the Previous Meeting	✓	✓	P	P	P	P	P	P
GOVERNANCE								
Previous Years' Fees and Expenses	✓							
Annual Audit of the Pension Plan Fund Financial Statements	✓							
Carbon Metrics Reporting	✓							
Summary of Total Fund Investment Performance		✓	✓		P	P		
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP					P			
Pension Risk Management Dashboard (Quarterly)	✓	✓			P	P		
Approval of Actuarial Valuation Assumptions						P		
RPP Actuarial Valuation, decision on filing								P
Review of RPP Contribution and Protocol Caps					P			
BENEFITS								
Extended Health & Dental Benefits – Indexation of Maxima effective January 1						P		
Retiree Life Insurance – Indexation of Coverage effective January 1						P		
Annual Benefits Utilization Report						P		
Maximum Pension Limits and Caps Adjustments, Based on Average Industrial Wage Increase (AIW)						P		
Cost of Living Adjustments								P
• Pensions in Pay								
• Deferred Pensions								
• Pensionable Earnings for Members on LTD								
Group Benefits program – Annual Renewal								
• Life Insurance – Premium Rate								
• Long Term Disability								
• Premium Rate								
• Maximum Insured Salary (Indexation)						P		
• Health Care Benefits – ASO Fees/Charges								
• Health Care Benefits – Budget Rates								

UNIVERSITY OF WATERLOO

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
<p>P - Planned ✓ - Complete</p>								
GOVERNANCE								
Review of Committee Terms of Reference		✓						
Annual Report to the Community								P
Annual Committee Self-Assessment								P
Committee Planning								P
CONFIDENTIAL SESSION								
Minutes of the Previous Meeting	✓	✓	✓	P	P	P	P	P
Other Business	✓	✓	✓	P	P	P	P	P
IN CAMERA SESSION								
Minutes of the Previous Meeting	✓	✓	✓	P	P	P	P	P
Other Business	✓	✓	✓	P	P	P	P	P

For more information:
uwaterloo.ca/secretariat
board@uwaterloo.ca

Committee Workplan Highlights for 2024-25

- Annual Audit of the Pension Plan Fund Financial Statements
- Review of RPP Contribution and Protocol Caps
- Annual Benefits Utilization Report
- Group Benefits program – Annual Renewal
 - Life Insurance – Premium Rate
 - Long Term Disability
 - Premium Rate
 - Maximum Insured Salary (Indexation)
 - Health Care Benefits – ASO Fees/Charges
 - Health Care Benefits – Budget Rates

OVERVIEW OF PENSION PLAN

PIC & P&B: Registered Pension Overview

Facts

- # of Retirees: 2,566
- # of Active Members: 5,249
- Market Value of Investments as of June 30, 2024: \$2.585b
- Going Concern Liability as of June 30, 2024: \$2.571b

Investments

	Actual Allocation	Benchmark	Permitted Ranges
Cash & Equivalents	3.48%	2%	0%-5%
Fixed Income	27.84%	25%	20%-35%
<i>Canadian Equity</i>	<i>5.60%</i>	<i>5%</i>	<i>0%-10%</i>
<i>Global Equity</i>	<i>50.58%</i>	<i>48%</i>	<i>40%-55%</i>
Total Equity	56.18%	53%	40%-65%
<i>Infrastructure</i>	<i>7.49%</i>	<i>10%</i>	<i>5%-15%</i>
<i>Real Estate</i>	<i>5.01%</i>	<i>10%</i>	<i>5%-15%</i>
Real Assets	12.50%	20%	10%-30%

PIC & P&B: Responsible Investment

- The Board has approved a Responsible Investment Policy
 - Responsible investing actively **incorporates ESG factors into each investment decision** and monitors those decisions
- UN PRI signatory for endowment and pension
- The Board has endorsed carbon footprint reduction targets for endowment and pension
 - Scorecard approach to carbon measurement including: Total Carbon Emissions, Carbon Footprint, and Weighted Average Carbon Intensity
 - Carbon footprint reduction targets, for scope 1 & 2 emissions
 - 50% by 2030, relative to 2018, Carbon Neutral by 2040
 - New University Task Force on Social Responsibility in Investing will begin work in September 2024

Pension Service Providers

- Aon – Actuarial Consultants
- Pension Administration – In house (UW) with Ariel system (provided by Telus Health) with payments provided by CIBC Mellon
- Pension Asset Custodian – CIBC Mellon
- Pension Investment Consultant – Eckler and Investment Managers

Consideration of Pension Plan Changes

Design changes to pension plans are significant undertakings and as a result are infrequent due to the complexity that revisions create for participants and administrators. To ensure the impact of a change is fully understood, a review process is followed:

- Rationale associated with the investigation of a plan design change (e.g. legislative or regulatory change, financial sustainability, employee value proposition, etc.);
- Actuarial analysis to determine the estimated impact on the current service cost;
- A review of administrative impacts and the feasibility of supporting system and process changes, and any related technology, vendor, and administration staffing requirements;
- Financial analysis associated with the implementation effort and ongoing management of a plan design change;
- A review of options (i.e. comparability to pension plans at peer institutions and within the comparator market); and
- Assessment of community involvement to support change management for active, retired, and deferred plan participants.

OVERVIEW OF BENEFIT PLANS

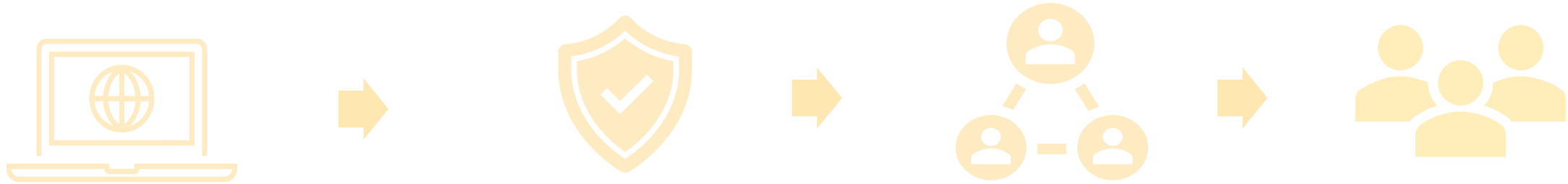
Benefits provided

- Health & Dental Benefits
- Life Insurance
- Long Term Disability
- Employee & Family Assistance Program
- Sick Leave

Benefits Service Providers

- Aon – Benefits Consultants
- Sun Life Financial – Life Insurance (University Health Insurance Plan) and Long Term Disability insurer
- GreenShield – Health & Dental Benefits provider
- Homewood Health – Employee & Family Assistance Program (EFAP) provider
- Sick Leave – In House (UW) with Telus Health for complex disability management case support

Benefit Claim Support Model



Step 1: Self-Service

- GreenShield
 - GSCEverywhere
 - Support Centre
- Human Resources
 - Websites
 - Workday
 - Chatbot

Step 2: Contact GreenShield

- Customer Contact Centre (Email/Phone)
- Travel Assistance Agents if medical emergency while travelling

Step 3: Contact Human Resources

- Tier 1 – HR Coordinators
- Tier 2 – Benefits Administrator
- Tier 3 – Manager/Director level

Step 4: Contact Pension & Benefits Committee

- Contact Committee Secretary with a Copy to Director, Total Rewards

Note: Members of the P&B Committee are welcome to contact the Director, Total Rewards with inquiries or feedback; however, members of the community need to follow the established inquiry support model

SECRETARIAT SUPPORT

Secretariat Website

- Meeting dates, agendas, minutes (open session)
- Terms of Reference, membership
- Informing and Governing Documents
- Policies, Guidelines and Procedures
- Board Manual

SECRETARIAT

[Governing Bodies](#) [Employee and Student Relations Committees](#) [Discipline and appeals](#) [Policies and procedures](#) [Chancellor](#) [Contacts](#)

Welcome to the Secretariat

The Secretariat's mission is to manage and support the University's bicameral governance system consistent with statutory requirements, the University of Waterloo Act, the By-laws and regulations of the Board of Governors and Senate, and good governance practices.

We provide support services for the Board of Governors, the Senate and their Committees and ensure membership is duly constituted and bodies receive materials that support informed decision-making. We ensure that decisions taken by Senate, Board and their committees are available to the university community and provide advice to senior administration and Board leadership so that the process of decision-making is clear, efficient and effective.

We also support the work of faculty, staff and student relations committees which are the primary venues for collegial employee/employer and student relations activities. We maintain the library of institutional policies and support

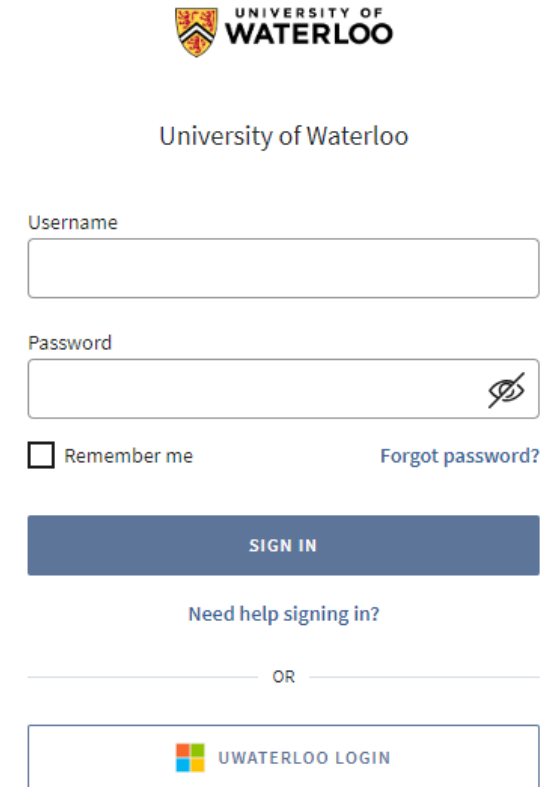
Our greatest impact happens together

You+Waterloo: Our greatest impact happens together

LET'S BUILD THE FUTURE TOGETHER

BoardEffect Portal

- Integration with single sign on for internal users
- Dual-factor authentication for external users
- Access to meeting books, surveys, events/invitations, RSVP function
- <https://uwaterloo.boardeffect.com/login?destination=%2F>



The screenshot shows the login interface for the University of Waterloo BoardEffect Portal. At the top right is the University of Waterloo logo. Below it, the text "University of Waterloo" is centered. The login form includes a "Username" field, a "Password" field with a toggle for visibility, a "Remember me" checkbox, and a "Forgot password?" link. A blue "SIGN IN" button is positioned below the password field. Underneath the button is a link for "Need help signing in?". A horizontal line with "OR" in the center separates the main login form from a secondary "UWATERLOO LOGIN" button, which features the university's logo.

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Secretariat Support and Main Contacts

- Committee Secretary: Sarah Willey-Thomas (swilleythomas@uwaterloo.ca)
- Secretariat Support for the Committee:
 - Gen Gauthier-Chalifour, University Secretary (gen.gauthier-chalifour@uwaterloo.ca)
 - Melanie Figueiredo, Governance Officer (m2figueiredo@uwaterloo.ca)
 - Melissa Benjamin, Governance Assistant (melissa.benjamin@uwaterloo.ca)
- Please RSVP to meetings – for in person meetings please indicate if joining virtually or in person
- Meetings typically have a Zoom option or held via Zoom

UNIVERSITY OF WATERLOO



Questions?

board@uwaterloo.ca

For Information**Open Session**

Date of Meeting: October 17, 2024
To: Members, Pension & Benefits Committee
From: Sarah Willey-Thomas, Associate University Secretary
RE: **4. Other Business**

4.2. Review of Work Plan

Sarah Willey-Thomas will provide an overview of the Committee Work Plan.

Members will recall that the work plan is an iterative document which is supplied for the Committee's information and reference at each Committee meeting.

Documentation Provided:

- 2024/25 Pension & Benefits Committee Work Plan

https://uofwaterloo.sharepoint.com/sites/sec/RDrive Content/Temp/Board and Board Committees/Pension & Benefits/Meetings/2024-25 Meetings/2024-10-17 Meeting/1. Agenda and Minutes/1_Open Session/4.2. Review of Work Plan.docx

2024-2025 Pension & Benefits Committee Work

Pension & Benefits Committee Agenda Items	May 17, 2024	June 11, 2024	September 13, 2024	October 17, 2024	November 15, 2024	January 17, 2025	February 11, 2025	March 21, 2025
P – Planned ✓ – Complete								
OPEN SESSION								
Execution against Committee Work Plan	✓	✓	✓	P	P	P	P	P
Minutes of the Previous Meeting	✓	✓	✓	P	P	P	P	P
GOVERNANCE								
Previous Years' Fees and Expenses	✓							
Annual Audit of the Pension Plan Fund Financial Statements	✓							
Carbon Metrics Reporting	✓							
Summary of Total Fund Investment Performance		✓	✓		P		P	
Statement of Investment Policies and Procedure and Fund Implementation Procedures; Pension Statement SIPP					P			
Pension Risk Management Dashboard (Quarterly)	✓		✓		P		P	
Approval of Actuarial Valuation Assumptions						P		
RPP Actuarial Valuation, decision on filing								P
Review of RPP Contribution and Protocol Caps					P			
BENEFITS								
Extended Health & Dental Benefits – Indexation of Maxima effective January 1					P			
Retiree Life Insurance – Indexation of Coverage effective January 1					P			
Annual Benefits Utilization Report					P			
Maximum Pension Limits and Caps Adjustments, Based on Average Industrial Wage Increase (AIW)					P			
Cost of Living Adjustments <ul style="list-style-type: none"> • Pensions in Pay • Deferred Pensions • Pensionable Earnings for Members on LTD 								P
Group Benefits program – Annual Renewal <ul style="list-style-type: none"> • Life Insurance – Premium Rate • Long Term Disability • Premium Rate • Maximum Insured Salary (Indexation) • Health Care Benefits – ASO Fees/Charges • Health Care Benefits – Budget Rates 					P			

2024-2025 Pension & Benefits Committee Work

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P – Planned ✓ - Complete								
GOVERNANCE								
Review of Committee Terms of Reference		✓						
Annual Report to the Community							P	
Annual Committee Self-Assessment								P
Committee Planning								P
CONFIDENTIAL SESSION								
Minutes of the Previous Meeting	✓	✓	✓	P	P	P	P	P
Other Business	✓	✓	✓	P	P	P	P	P
IN CAMERA SESSION								
Minutes of the Previous Meeting	✓	✓	✓	P	P	P	P	P
Other Business	✓	✓	✓	P	P	P	P	P

For more information:
uwaterloo.ca/secretariat
board@uwaterloo.ca