

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 19 January 2024 Meeting
[in agenda order]

Present: Linda Blair, Sara Cressman, Teresa Fortney (chair), Melissa Graham, Sarah Hadley, Michelle Hollis, Lily Hua, William Povelofskie, Jacinda Reitsma, David Saunders, David Taylor, James Thompson, Sarah Willey-Thomas (secretary)

Regrets: James Rush

Resources/Guests: Aubrey Basdeo, Linda Byron, Gen Gauthier-Chalifour, Melanie Figueiredo, Patti Hancock, Lee Hornberger, Laura McDonald, Allan Shapira, Michelle St. Amour, Holly Taylor, Tyler Wendland

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

OPEN SESSION

1. APPROVAL OF THE AGENDA

Recommendation moved by Graham, seconded by Hadley:

Motion to approve the agenda as presented. Carried.

2. MINUTES OF THE 17 NOVEMBER 2023 MEETING (Open Session) AND BUSINESS ARISING

The Committee noted corrections to the spelling of a member's name and naming of agenda item 2b in the minutes.

Recommendation moved by Hadley, seconded by Reitsma:

Motion to approve the minutes of the 17 November 2023 meeting as amended. Carried.

a. Update on Summary of Fund Performance

Allan Shapira provided an update on the summary, noting numbers were corrected in the version included in the agenda package but that the corrected figures did not change conclusions. Shapira also noted ongoing work regarding formatting of materials.

b. Update on Bill 124 Payments

Lee Hornberger provided an update with respect to the Bill 124 reopener across employee groups with respect to recalculation of pension and related pension payments.

3. EXECUTION AGAINST THE WORKPLAN

The Committee reviewed the work plan and noted a correction to the row of the work plan.

4. PENSION INVESTMENT GOVERNANCE DOCUMENTS

a. Pension Fund Implementation Procedures (FIP)

b. Pension Statement of Investment Policies and Procedures (SIPP)

c. Responsible Investment Policy (RIP)

Sarah Hadley presented the pension investment governance documents. The Committee discussed a summary of the changes to the FIP and noted grammatical amendments to the draft FIP in addition to clarifying references to the University's responsibility as University staff's responsibility in sections 7 and 9.

Recommendation moved by Hadley and seconded by Graham:

Motion that the Pension & Benefits Committee approve changes to the Pension Fund Implementation Procedures (FIP) as amended. Carried.

4. UPP REVIEW

Shapira presented the final UPP presentation to the Committee. The Committee discussed employee sponsor perspective; representation of unions on the employee sponsor side and implications for a largely non-unionized workforce; efficiency of the governance structure; appointment of trustees, and current appointees; process for consenting to the UPP and minimum thresholds; impact of financial health of UPP members; joining the UPP with a healthy pension plan; understanding of the asset side; impetus for creation of the UPP; protection of assets in the UWaterloo Plan; and, attention to how other Universities may be considering the UPP. The Committee heard that next steps would be brought back at a future meeting.

5. APPROVAL OF ACTUARIAL VALUATION ASSUMPTIONS

Linda Byron presented the actuarial valuation assumptions. The Committee discussed the process for determining contributions and catchup; existence of the Provision for Adverse Deviations (PfAD) and value as mandated; and, how the SIPP benchmark portfolio informs the actuarial assumptions. Recommendation moved by Hadley and seconded by Taylor:

Motion that Pension & Benefits Committee approve the actuarial valuation assumptions, as presented. Carried.

7. REVIEW OF RPP CONTRIBUTION, PROTOCOL CAPS AND OVERVIEW OF PENSION PROTOCOLS

The Committee received a presentation on an overview of the pension protocols. The Committee agreed to add an item to the work plan with respect to a decision on the protocols; clarification on governance pathway for changes to the protocols; and an additional explanation on Indexation Protocol at a future meeting.

8. OTHER BUSINESS

There were no matters for other business.

23 January 2024

Sarah Willey-Thomas
Associate University Secretary