

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the March 22, 2024 Meeting
[in agenda order]

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

Regrets: Elizabeth Demers,

Resources/Guests: Anata Alphonso, Aubrey Basdeo, Gen Gauthier-Chalifour, Patti Hancock, Lee Hornberger, Allan Shapira, 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. Agenda and Minutes

a. Declarations of Conflict of Interest

No conflicts of interest were declared.

b. Approval of Agenda

Saunders and Hadley.

That the March 22, 2024 meeting agenda be approved.

CARRIED

c. Approval of the January 19, 2024 Minutes

Reitsma and Taylor.

That the minutes of the January 19, 2024 meeting be approved.

CARRIED

1. Willey-Thomas noted that the Secretariat is considering developing minute guidelines for
a future meeting.

d. Business Arising

There were no matters of business arising.

2. Sub-Committee Reports

a. Report from the Pension Investment Committee

Aubrey Basdeo presented the Report from the Pension Investment Committee.

Aubrey Basdeo left the meeting.

3. Benefits

a. Group Benefits Program Annual Renewal effective May 1, 2024

i. Life Insurance – Premium Rate & Unrestricted Deposit Account (UDA)

Hornberger presented the Life Insurance – Premium rate & Unrestricted Deposit Account item. The Committee discussed rationale for the recommendation; impact of recommended option on future increases; impact of change in combination with increase to Long Term Disability premium rate.

Reitsma and Blair.

That the Pension & Benefits Committee approve to increase the current life insurance paid rate by 5% effective May 1, 2024 (Option 3) and transfer the remaining Unrestricted Deposit Account (UDA) to the Claims Fluctuation Reserve (CFR) during the May 1, 2024 to April 30, 2025, as presented.

CARRIED with one opposed and one abstention.

ii. Long Term Disability – Premium Rate and Maximum Insured Earnings

Hornberger presented the Long Term Disability Premium Rate. The Committee discussed that there is no way to increase the upper limit due to unfinalized salary agreements; impact of spreading the increase over two years; considering this change in addition to the increase in life insurance rates; impact on the University's finances; future rate increases; need to understand the consequences of various options.

Taylor and Hadley.

That the Pension & Benefits Committee approve to increase the Long Term Disability (LTD) premium rate and maintain the current maximum insured earnings effective May 1, 2024 until at least April 30, 2025, as presented.

CARRIED

iii. Healthcare Benefits – ASO Fees/Charges & Budget Rates

Lee Hornberger presented the ASO Fees/Charges and Budget Rates. The Committee discussed cost of the change, the University's approach to this item in the past; and impact of not approving the change.

Taylor and Graham.

That the Pension & Benefits Committee approve to increase the extended health rates by 9.8% and dental rates by 13.2% effective May 1, 2024, as presented.

CARRIED

4. Pension

a. Cost of Living Adjustments

i. Pensions in Pay

Hornberger presented the pensions in pay item. The Committee discussed the going concern indexation reserve and noted a correction to the motion language.

Saunders and Blair.

That the Pension & Benefits Committee approve to apply a 3.90% Cost of Living Adjustment ("COLA") for pension benefits earned up to December 31, 2013 and 2.93% COLA for pension benefits earned on or after January 1, 2014, effective May 1, 2024, as presented.

CARRIED

ii. Deferred Pensions

Hornberger presented the deferred pensions item.

Taylor and Saunders.

That the Pension & Benefits Committee approve to apply a 0% Cost of Living Adjustment ("COLA") for pension benefits earned up to December 31, 2013 and 0% COLA for pension benefits earned on or after January 1, 2014, effective May 1, 2024, as presented. **CARRIED**

iii. Pensionable earnings for Members on LTD

The Committee heard that this item would be presented at a future meeting.

b. RPP Actuarial valuation and Filing

Allan Shapira presented the RPP Actuarial Valuation and Filing, noting a decision would be presented at the May Committee meeting.

c. Pension Risk Management Dashboard, Q4 2023

Allan Shapira presented the Pension Risk Management dashboard. The committee discussed the risk premium in the pension valuation.

5. Governance

a. Annual Report to the Community

The Committee discussed a correction to the date for filing of the valuation and reducing overall number of pages from three to two.

b. Pension & Benefits Committee Planning for 2024-25

The Committee was invited to provide any feedback to the Chair and/or Secretary.

c. Amendments to Pension & Benefits Committee Terms of Reference

The Committee discussed the role of committee members to consider all constituents in decision-making; outcome of negotiations with OPSEU; size of stakeholder groups relative to the number of representatives; and amendments to clarify language given multiple union representatives.

Taylor and Hollis.

That the Pension & Benefits Committee recommend that the Governance Committee and Board of Governors approve changes to the membership of the Pension & Benefits Committee to include one member appointed on the recommendation of the President of OPSEU. **CARRIED**

6. Other Business

a) Execution Against Work Plan

The Chair thanked member David Saunders for his service on the Committee.

NEXT MEETING

The next regular meeting is scheduled for Friday May 17, 2024, 9:30 a.m. to 12:00 noon.

March 19 2024

Sarah Willey-Thomas
Associate University Secretary