



PENSION & BENEFITS COMMITTEE 2025 Report to the Community

This report provides an overview of issues addressed by the Pension & Benefits Committee for the calendar year (January 1, 2025 – December 31, 2025). Further information on any of these topics may be obtained by contacting the Secretariat or by visiting the [committee webpage](#).

A. The Committee and its Members

The Pension & Benefits Committee (Committee) is a standing committee of the Board of Governors (Board) responsible for overseeing the University's employee pension plans, health care and dental plans, sick leave benefits, long-term disability benefit, and life insurance benefit (Plans). The Committee consists of representatives from the University's employee groups, administration, the Board, retirees, and affiliated and federated institutions of Waterloo. The Committee meets regularly (eight meetings during the calendar year). Meetings are open to the University community and agendas and minutes are available on the Committee's [webpage](#). The Committee monitors the health and oversees the administration of the Plans. Changes and improvements to the Plans are developed by the committee with support from staff and external consultants and recommended to the Board for approval.

The Committee annually participates in governance activities related to Committee orientation and engages in a committee self-assessment.

Over the course of multiple meetings, the Committee also discussed a proposal to restructure the Pension & Benefits Committee and create a Board-level Pension Committee and a separate University-level Benefits Management Committee. The proposal stems from a larger governance review undertaken by the Board of Governors in 2021. Discussions on the proposed Committee restructure continued in 2026 (outside of the reporting period).

B. Benefits

Faculty Health Care Spending Account. The Committee continued discussions that began in 2024 regarding the Health Care Spending Account (HCSA) for Faculty as provided in the April 2024 arbitration award between the University and the Faculty Association of the University of Waterloo (FAUW). The Committee did not make a recommendation on this matter, and following review of the appropriate governance process, it was considered and approved by the Board of Governors at its meeting held April 15, 2025.

Annual Work Plan Items. In accordance with its annual work plan, the committee:

- Received reports on the benefits plan utilization rates, renewal rates and expenses, and reviewed a number of other items that occur annually according to plan provisions.

C. Pension

January 1, 2025 Actuarial Valuation and Filing. An actuarial valuation report is required to be filed at least every three years; notwithstanding this, a valuation is completed on an annual basis for the purposes of assisting with planning and the University's budgeting. The most recent actuarial valuation was filed as of January 1, 2025.

P&B receives a presentation from the pension actuary annually on the actuarial valuation of the Registered Plan and based on this information makes recommendations including on the funding guideline and policy and filing the actuarial valuation with the pension regulator. The University continues to make additional contributions to the Registered Plan in order to achieve funding sustainability and lower contribution volatility.

Annual Payment to the Ontario Pension Benefit Guarantee Fund. The Committee received a report from administration regarding the annual payment to the Ontario Pension Benefit Guarantee Fee Fund (PBGF). All single-employer defined benefit pension plans are required to pay annual premiums to the Ontario Pension Benefit Guarantee Fee fund (PBGF). This fund provides some protection for the pension benefits of members of single-employer defined benefit pension plans if the plan sponsor becomes insolvent. The University has paid this annual premium for the University of Waterloo Pension Plan for Faculty and Staff previously. Aon, the pension actuary, advised that the Plan is permitted under Ontario Pension Regulations to pay this expense in the current year based on the relevant criteria related to the Plan's funded status. The principle-based approach in place for pension expenses is that the Plan funds its expenses. The Committee approved the recommendation to have the annual Ontario PBGF premium for the Plan paid from the Plan's assets in years when the Ontario Pension Regulations allow this.

Pension Investment Committee. Over the past year, the Committee held several joint meetings with members of Pension Investment Committee, which is a subcommittee of Pension & Benefits Committee. The [Pension Investment Committee](#) oversees pension asset investments, ensuring alignment with plan liabilities, risk tolerance, and responsible investment policies. The Committee reviews investment performance, asset mix, and fund manager decisions and makes recommendations to the Pension & Benefits Committee on related matters.

During these joint meetings, the Committees received quarterly reports on pension fund investments, meetings with investment managers and other activities of PIC. The Committee further recommended and the Board approved changes to the SIPP (Statement of Investment Policies and Procedures) and the RIP (Responsible Investment Policy). An annual review of the FIP (Fund Implementation Procedures) was also undertaken.

Education and Monitoring. The Committee participated in education sessions regarding fiduciary duty and continued to discuss process related to exploration of the University Pension Plan (UPP).

Annual Work Plan Items. In addition to the above, the Committee:

- Reviewed and approved the 2024-25 audited pension fund financial statements for filing and affirmed that no adjustments to the financial statements were needed due to the audit;
- Reviewed and approved cost-of-living adjustment (COLA) increases to pensionable earnings of pensions in pay and individuals on long-term disability for the purpose of calculating pension entitlements.
- Reviewed the Carbon Disclosure report as it relates to the University's pension investments;
- Provided oversight to a number of other items that occur annually according to plan provisions, e.g. maximum annual contribution for pensions.