Present: Peter Barr, Terrence Birmingham, Ted Bleaney, Mike Grivicic (secretary), Michael Herz, Dennis Huber, Ranjini Jha, David Kibble, Jim Rush, David Saunders, Michael Steinmann, Mary Thompson, Marilyn Thompson

Absent: Ken Vetzal*

*regrets

Consultant: Linda Byron, Allan Shapira

Resources: Sarah Hadley, Lee Hornberger

Organization of Meeting: Peter Barr took the chair, and Mike Grivicic acted as secretary. The secretary advised that a quorum was present.

1. APPROVAL OF THE 17 JANUARY 2020 MINUTES (OPEN SESSION) AND BUSINESS ARISING
A motion was heard to approve the minutes as distributed. Bleaney and Saunders. Carried.

a. Actuarial Assumptions (Updated). Byron confirmed the discount rate is 5.60%, and that additional changes to the slides were made per members’ suggestions. Shapira noted that it is likely advantageous to file the valuation this year.

b. Shapira indicated that upon examining the various protocols associated with the plan, it appears that a number are out of date or not longer apply; Aon will bring this item back to a future meeting.

2. EXECUTION AGAINST THE WORK PLAN
This item was received for information.

3. UPDATE ON GOVERNMENT PENSION PLAN INITIATIVES
Shapira indicated that there has been no government activity of note re: pension/benefits since the last meeting.

4. PENSION PLAN TRANSFER-IN PROVISION: CLARIFICATION ON ADMINISTRATION OF ELIGIBILITY CRITERIA
Hornberger provided an overview noting the aim to obtain committee confirmation on how the purchase of additional credited service in the pension plan occurs, and confirm related administrative practices based on the plan text. Shapira observed that the intent of the provision is to transfer eligible service from the previous employer, and not to indirectly aggregate previously earned benefits at another plan(s). Members discussed: text of Income Tax Act and the Ontario Pension Benefits Act; the industry term “participant” is construed to mean someone earning benefits and with ties to an employment relationship; the six month transfer window is common for pension plans; working in plan appears to be ambiguous; value of transfers into the plan can fluctuate, and HR can recall no rejections of transfers that have occurred in recent memory; in development of price for pension plan transfers, it should be understood that these are cost-neutral but are not risk neutral as the incoming plan takes on the risk of the accrued service; it would be unreasonable for HR to provide the calculation factors for members to do their own calculation, this is very onerous upon staff and not at all the intention of this provision in the pension plan; functional definitions have been in working use for decades, and it is unclear why these would be changed; any applications to make a transfer into the plan should follow the university’s established processes. A motion was heard to reaffirm the existing operational practices pertaining to transfer-in provisions to the pension plan, and to direct the plan consultant Aon to prepare clarified pension plan text for this provision. Bleaney and Jha. Carried.

5. ANNUAL COST OF LIVING ADJUSTMENTS
a. Cost-of-living Increase for Pensioners. Received for information.

b. Pensions for Deferred Members. A motion was heard to approve a COLA increase of 1.95% for pension benefits earned up to 31 December 2013 and a COLA increase of 1.46% for pension benefits accrued after 31 December 2013. Jha and Mary Thompson. Carried.
c. Salaries for Pension Purposes for Individuals on Long-term Disability. The range increase on 1 May 2020 is 2.15%, while 100% of COLA would be 1.95%. In line with the guiding principles, a motion was heard to index the salaries for pension purposes for members on LTD by the lesser of 100% of COLA and the range increase for active employee, that being 1.95%. Huber and Kibble. Carried.

6. FOLLOW-UP ACTIVITY RE: APPROVED INCREASES TO CONTRIBUTION RATES
Shapira observed that legislation requires formal notice of the plan amendments be given to members, and that while the regulator seems to prefer mail delivery other modes are being examined. Aon will file the amendment with the regulator, and HR will implement the changed contribution rate for 1 May.

7. INVESTMENT FUND PERFORMANCE REPORTS FROM AON – Q4 2019
Huber noted that RPP returns were 13% at year end. The PIC is now established; a work plan and orientation session for members is in development.

8. 2019 REPORT TO THE COMMUNITY (DRAFT)
Members suggested adding content re: becoming signatory to UN PRI, and minor text edits.

9. UPDATE RE: HOLISTIC BENEFITS WORKING GROUP
Byron related that the group received additional analysis of the survey with respect to respondents with single vs. family coverage, and no new insights were gleaned.

10. OTHER BUSINESS
There was no other business.

With no further business in open session, the committee proceeded into confidential session.

NEXT MEETING
The next meeting is scheduled for Friday 20 March 2020, 9:30 a.m. – 12:00 noon in NH 3318.

13 March 2020
 revised 20 March 2020

Mike Grivicic
Associate University Secretary