

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 18 September 2020 Meeting
[in agenda order]

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

Regrets: Michael Herz

Consultant: Linda Byron, Allan Shapira

Resources: Sarah Hadley

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

The chair acknowledged that this is the last meeting for Dave Kibble. He thanked him for his long and dedicated service to this committee and the University, and wished him well in his retirement.

1. APPROVAL OF THE 12 JUNE 2020 MINUTES (OPEN SESSION) AND BUSINESS ARISING

Members noted one minor amendment. A motion was heard to approve the minutes as distributed. Huber and Giovinazzo. Carried. There was no business arising.

2. APPROVED ELECTRONIC BALLOT – 31 JULY 2020

This item received for information. Huber advised that the transactions were completed in August.

3. EXECUTION AGAINST THE WORK PLAN

This item was received for information.

4. UPDATE ON GOVERNMENT PENSION PLAN INITIATIVES

Shapira indicated there has been no specific activity on funding relief due to the province's focus on the pandemic, though plan filing deadlines were extended but this does not impact Waterloo.

5. PRACTICES AT COMPARATOR INSTITUTIONS RE: TRANSFER OF MONIES TO AND FROM PENSION FUNDS

Shapira observed: in 2011 there was similar concern at this committee around the wording "immediate" for transferring pension credit; while new members bring funds into the plan, nevertheless the plan assumes risk in accepting these transfers; most other plans reviewed have clear wording on these practices, though one plan appears more flexible and another has vague wording; portability provisions exist as a result of the various reciprocal agreements that plans have reached over several years. Members discussed that the receiving plan requires certain information to port over the entire pension credit, and that time limits to transfer are usually restricted by provisions in the exporting plan. A motion was heard to forward the June 2020 approved plan amendments to the Board of Governors for approval. Huber and Jha. Carried.

6. FUNDING REQUEST, ASSET-LIABILITY STUDY

Huber provided an overview of the request, which aims to update from the 2017 study, and Jha spoke in support. A motion was heard to approve the motion as presented. Huber and Kibble. Carried.

7. UPDATE RE: HOLISTIC BENEFITS WORKING GROUP

Byron noted that since the previous meeting the group presented to the leadership of the various employee groups, and have received written feedback. The working group will consider next steps at its upcoming meeting.

8. QUARTERLY RISK MANAGEMENT DASHBOARD – Q2 2020

Byron observed: funding improvements since 2020 Q1; PfAD related to nominal Government of Canada bonds, and the dropping rates result in a larger PfAD; lower risk-free and discount rates increase the risk-free deficit; hypothetical wind up is tracked quarterly, and if that measure drops 10% since the last valuation then the plan would need to apply to the regulator to pay commuted value amounts; the university's most recent filing appears to have been fortunately timed, in retrospect. Shapira remarked that the ongoing viability of 60:40 equities-to-bonds is in question in an environment with ongoing low interest rates.

9. INVESTMENT FUND PERFORMANCE REPORTS FROM AON – Q2 2020

Huber provided a short overview of the report, and this item was received for information.

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 16 October 2020, 9:30 a.m. – 12:00 noon.

9 October 2020

Mike Grivicic
Associate University Secretary