

University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 22 October 2021 Meeting
[in agenda order]

Present: Terrence Birmingham, Ted Bleaney, Sara Cressman, , Tony Giovinazzo, Michael Herz, Dennis Huber, Ranjini Jha, James Rush, David Saunders, David Taylor, Marilyn Thompson, Ken Vetzal, Rebecca Wickens (secretary)

Regrets: Peter Barr

Consultants/Resources: Linda Byron, Sarah Hadley, Lee Hornberger, Joan Kennedy, Sue McGrath, Scott Palmer (1, 2), Allan Shapira

Guests: Sheryl Kennedy (6, 7)

Organization of Meeting: Tony Giovinazzo took the chair, and Rebecca Wickens acted as secretary. The secretary advised that a quorum was present. The agenda was accepted as distributed.

There was a motion to move into confidential session for item 1 on the agenda. Bleaney and Huber. Carried.

OPEN SESSION

2. RFP RECOMMENDATION – CARRIER TO INSURE/ADJUDICATE LTD/HEALTH AND DENTAL

Following a presentation and discussion in confidential session, there was a motion to approve the engagement of:

- Sun Life Financial to insure the long-term disability program effective 1 May 2022; and
- Green Shield Canada to administer the health and dental plans effective 1 January 2023;

subject to completion of due diligence and execution of contracts, satisfactory to the University. Bleaney and Taylor. Carried.

3. APPROVAL OF THE 10 SEPTEMBER 2021 MINUTES (OPEN SESSION) AND BUSINESS ARISING

There was a motion to approve the minutes as distributed. Bleaney and Huber. Carried.

4. EXECUTION AGAINST THE WORK PLAN

This item was received for information.

5. UPDATE ON GOVERNMENT PENSION PLAN INITIATIVES

Members heard: there has not been much activity by the provincial government re: pensions recently; an update regarding changes to the standards for calculating commuted values will be brought to a future meeting.

6. REPORT FROM THE PENSION INVESTMENT COMMITTEE

Sheryl Kennedy joined the meeting. Kennedy spoke to the report distributed with the agenda, highlighting: pension fund investments are performing well; a subcommittee has been formed to consider new infrastructure investments; PIC is reviewing the investment reports received from consultants and investment managers, and considering opportunities for enhancement; while working on the Statement of Investment Policies & Procedures, PIC identified the need for a funding policy to document the framework for funding the plan.

7. DRAFT REVISED SIPP, FUND IMPLEMENTATION PROCEDURES, AND RESPONSIBLE INVESTMENT POLICY

Members heard: a subcommittee of PIC reviewed Waterloo's current pension investment policies and procedures as well as similar documents at other public sector pension plans; the subcommittee consulted with Aon Hewitt and PIC; PIC is requesting feedback from Finance & Investment Committee and Pension & Benefits Committee before seeking approval. Kennedy provided an overview of the changes, in particular, structural changes to the SIPP such that the SIPP will cover all legal requirements and remain subject to Board of Governors' oversight, while information not legally required to be in the SIPP but useful for administration and transparency of the plan will be contained in supplementary procedural documents overseen by Pension & Benefits Committee.

Comments included: the need to clarify the governance structure and legal responsibilities with respect to pension investments; the history, benefits and concerns with Finance & Investment Committee being consulted or otherwise involved in pension investments; proposed changes to the asset allocation and questions re: how often it will be reviewed; the currency for the benchmark and whether PIC is considering hedging; rationale for and benefits of tightening the ranges; questions re: how often the policy and procedure documents will be reviewed; the revised documents should include a covering note detailing changes when it comes time for approval. Kennedy thanked members for the thorough review and comments. Members were asked to send any further comments in writing to a PIC member. Sheryl Kennedy left the meeting.

8. FOLLOW-UP ACTIVITY – DATA ANALYSIS AND POLICY 23/59

Hornberger reported: members will recall that data analysis was deemed necessary to understand the impact of the recommendation re: changing full benefit eligibility from three to two years; the analysis has recently been completed, and it appears that the Bill 124 limitation of 1% increases to total compensation each 12 month period within the moderation period will prevent the implementation of that recommendation; resources are meeting with legal counsel and will report back in November. Members asked that the details of the oral report be circulated by email following the meeting. [Note: the follow-up email was sent to members on 22 October 2021.]

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

NEXT MEETING

The next regular meeting is scheduled for Friday 19 November 2021, 9:30 a.m. – 12:00 noon.

9 November 2021

Rebecca M. Wickens
Associate University Secretary