

**University of Waterloo
Board of Governors
PENSION & BENEFITS COMMITTEE
Minutes of the 11 March 2022 Meeting
[in agenda order]**

Present: Peter Barr (chair), Terrence Birmingham, Sara Cressman, Mike Grivicic (secretary), Lily Hua, Dennis Huber, Ranjini Jha, James Rush, David Saunders, David Taylor, Marilyn Thompson, Ken Vetzal

Regrets: Tony Giovinazzo

Guests/Resources: Linda Byron, Lee Hornberger, Joan Kennedy, Sheryl Kennedy (6,8), Allan Shapira, Michelle St-Amour, Chelsea St-Hill, Tyler Wendland

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

OPEN SESSION

1. APPROVAL OF THE 18 FEBRUARY 2022 MINUTES (OPEN SESSION) AND BUSINESS ARISING

There was a motion to approve the minutes as distributed. Saunders and Taylor. Carried.

2. EXECUTION AGAINST THE WORK PLAN

This item was received for information.

3. UPDATE ON GOVERNMENT PENSION PLAN INITIATIVES

There was nothing new to report under this item.

4. ACTUARIAL VALUATIONS (RPP AND PPP) AND REVIEW OF CAPS

Byron provided a PowerPoint presentation: slight change of timing of valuation, moving forward by two seconds to occur at 11:59:59 p.m. on 31 December 2021; reduction to PBGF premium by \$3 million; details on current service cost and pension contributions; hard dollar cap for RPP and cap on PPP, with modelling for increases; RPP is in a surplus position on a going concern basis; significant increase to COLA provision this year, compared to previous years. Members discussed: no requirement for payments in excess of normal costs; funding strategy of plan aims to maintain stable contributions in more advantageous periods to help with smoothing in down periods; asset mix for assets reflects strategy to rely upon returns from risk assets to fund future benefits; different between CPI and AIW; as plan adjustments are made over time, there is drift away from 50/50 sharing of current service cost. A motion was heard to accept the valuation as presented and to direct Aon to prepare the valuation for filing with the regulator later in 2022. Huber and Taylor. Carried.

5. GROUP BENEFITS PROGRAM – ANNUAL RENEWAL

Joan Kennedy provided detail on each of the renewal items, and members obtained clarification on technical details. A motion was heard to approve the 10% subsidy for life insurance (option 3 in the report). Huber and Taylor. Carried. Members observed with the transition to Sun Life on 1 May there is a 30% decrease to LTD premiums; a motion was heard to approve the indexing of the maximum insured salary as presented. Hua and Jha. Carried. Members accepted item (c) for information. A motion was heard to approve the budget rates as presented. Jha and Hua. Carried.

6. REPORT FROM PENSION INVESTMENT COMMITTEE

Sheryl Kennedy spoke to the report, highlighting: changes in documents reflect legal opinion; RIP document would be in force for other investment funds beyond the plan's assets; recommendation was made by the Finance & Investment Committee at the meeting the previous day. Members discussed: footnotes provided earlier not included in this version, though the footnotes merely enunciate the same due diligence exercised under existing requirements; suggested changes to wording around "best interest" in the RIP and also in the FIP compliance letter, which will be adjusted subject to concurrence of the external legal counsel; for section 8 re: review, inclusion of

reporting to this committee would be appropriate to add; other minor wording amendments suggested for FIP. A motion was heard to approve the revisions to the Fund Implementation Procedures as described in the document (subject to inclusion of minor wording amendments) and to recommend the approval of the Responsible Investment Policy to the Board of Governors (subject to the concurrence of external legal counsel with the suggested amendments). Jha and Huber. Carried.

7. OTHER BUSINESS

The chair reminded members to complete the annual committee self-assessment form.

NEXT MEETING

The next regular meeting is scheduled for Friday 20 May 2022, 9:30 a.m. – 12:00 noon.

12 April 2022

Mike Grivicic
Associate University Secretary