

**Board of Governors
PENSION & BENEFITS COMMITTEE
Friday 16 October 2020
9:30 a.m. to 12:00 noon**

This meeting will be held via Microsoft Teams
Non-members may arrange to join the open session of the electronic meeting
by contacting Melissa Holst, mjholst@uwaterloo.ca

	OPEN SESSION	ACTION
9:30	1. Approval of the 18 September 2020 Minutes (Open Session)* and Business Arising	Decision
	2. Execution Against the Work Plan* [Grivicic]	Information
	3. Update on Government Pension Plan Initiatives [Shapira]	Information
9:35	4. United Nations Principles for Responsible Investing (UN PRI) Membership Fees* [Huber, Wendland]	Decision
9:40	5. Employee and Family Assistance Program – 4 th Annual Utilization Report* [Hornberger]	Information
	6. Other Business	
	CONFIDENTIAL SESSION	
9:50	7. Update re: Holistic Benefits Working Group** [Byron]	Discussion
	8. Continued Discussion and Additional Information - Request Received re: Benefits Update* [Hornberger]	Discussion
	9. Approval of the 18 September 2020 Minutes (Confidential)+ and Business Arising	Decision
	10. Update from Working Group – Joint Request for Pension and Benefits Committee Direction	Discussion
	Next Meeting: Friday 20 November 2020, 9:30 a.m. – 12:00 noon	

*attached
** to be distributed
+ distributed separately

9 October 2020

Mike Grivicic
Associate University Secretary

Please convey regrets to Melissa Holst at 519-888-4567 x36125 or mjholst@uwaterloo.ca

Future Agenda Items

- a. Pension Contribution for Members of LTD
- b. Level of LTD coverage vs. practical requirements

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

Execution against Work Plan

Pension & Benefits Committee, Board of Governors, University of Waterloo

The below represents the annual responsibilities of the P&B Committee and has been prepared as an aid to planning only. The committee's activities are much broader, however, and include: legislative changes, plan changes and improvements; selection of managers and service providers; and requests from the UW community regarding pension and benefits plans.

Task	Frequency (Target month)	18 Oct 2019	15 Nov 2019	13 Dec 2019	17 Jan 2020	21 Feb 2020	20 Mar 2020	15 May 2020	12 June 2020	18 Sept 2020	16 Oct 2020
Approval of Actuarial Valuation Assumptions	Annual (Jan)				✓						
Investment Status of PPP	Annual (Jan)				✓						
Cost-of-living Increase for Pensioners	Annual (Feb)					✓					
Pensions for Deferred Members	Annual (Feb)					✓					
Salaries for Pension Purposes for Individuals on Long-term Disability	Annual (Feb)					✓					
Actuarial Valuations (RPP and PPP), with posting to website once approved	Annual (Mar)						✓				
Review of Contribution and Protocol Caps (RPP and PPP)	Annual (Mar)						✓				
Benefits Plan Premium Renewals	Annual (Mar)						✓				
Indexing of Long-term Disability Plan Benefits and Maxima	Annual (Mar)						✓				
Annual Committee Self-Assessment	Annual (Mar)						✓				
Budget Overview	Annual (May)							✓			
Previous Years' Fees and Expenses	Annual (May)							✓			
Annual Audit of the Pension Plan Fund Financial Statements	Annual (May)							✓			

D = deferred

Task	Frequency	18 Oct 2019	15 Nov 2019	13 Dec 2019	17 Jan 2020	21 Feb 2020	20 Mar 2020	15 May 2020	12 June 2020	18 Sept 2020	16 Oct 2020
Benefits Utilization Report	Annual (June)								✓		
Annual review re: benefits added/removed from insured plans in the market	Annual (June)								✓		
Review of Committee Terms of Reference	Annual (June)								✓		
Indexing of Plan Maxima – Health, Dental, Retiree Life Insurance	Annual (Nov)		✓								
Employee and Family Assistance Program – report on utilization	Annual (Nov)		✓								✓
Maximum pension limits and caps adjustments, based on average industrial wage increase (AIW)	Annual (Dec)			✓							
Total Fund Overview	Quarterly	✓		✓		✓			✓		
Investment Manager Review	Semi-annually										
Approval of the Statement of Investment Policies and Procedures (SIPP)	Annual		✓								
Annual Report to the Community	Annual					✓					
Actuarial Filing - Minimum every three years Most recent filings: 2017, 2018, 2020											

Report to the Pension & Benefits Committee
United Nations Principles for Responsible Investing (UN PRI) Membership Fees

October 16, 2020

Recommendation:

That UN PRI membership fees be an approved expense for the University of Waterloo Pension Plan for Faculty and Staff (Pension Plan).

Background

In 2016 the Board of Governors approved the creation of a Responsible Investing Working Group. On June 5th, 2018, this group reported back with a variety of recommendations, including that the University should “become a signatory in good standing to the UN PRI”.

In September 2019, through consultation with an external consultant, Rally Assets, a plan was put forth whereby the University, including the Pension Plan, would apply to become a signatory to the UN PRI within the first quarter of 2020.

Application to the UN PRI

On February 27th, 2020, the University of Waterloo submitted its application to the UN PRI. A subsequent declaration was signed on March 31, 2020 and submitted to establish the Pension Plan as a separate applicant.

On May 6, 2020, the application for the Pension Plan was provisionally approved, pending payment of the first year’s member fees. The first year’s membership fees (£2,507.50 - \$4,536 CAD), which are charged based the value of an organization’s investment assets, were pro-rated to represent the 10 month period of June 2020 through March 2021 and were paid by the University of Waterloo. Subsequent invoices will be issued to reflect future year’s membership fees covering the 12 months between April and March (approx. £3,000).

Payment was confirmed as received by the UN PRI and the Pension Plan was formally recognized as a signatory on June 2, 2020.

Dennis Huber
Sarah Hadley
Tyler Wendland

Employee and Family Assistance Program – 4th Annual Utilization Report *for the September 2019 to August 2020 period*

The Employee and Family Assistance Program (EFAP) was implemented with Homewood Health effective September 1, 2016 with a 3-year renewable contract at an employer paid cost of \$2.50 per employee per month. Homewood Health agreed to maintain the current rate for the September 1, 2019 to August 31, 2021 period and a competitive bidding process is required to confirm the provider effective September 1, 2021.

Employees within the University of Waterloo as well as the Affiliated and Federated Institutes of Waterloo (AFIW) who are enrolled in the full benefits program, are eligible for the EFAP along with their eligible family members, if applicable. Effective October 1, 2018, St. Jerome's University College no longer participates in the program due to an equivalent arrangement with Homewood Health available through their payroll provider.

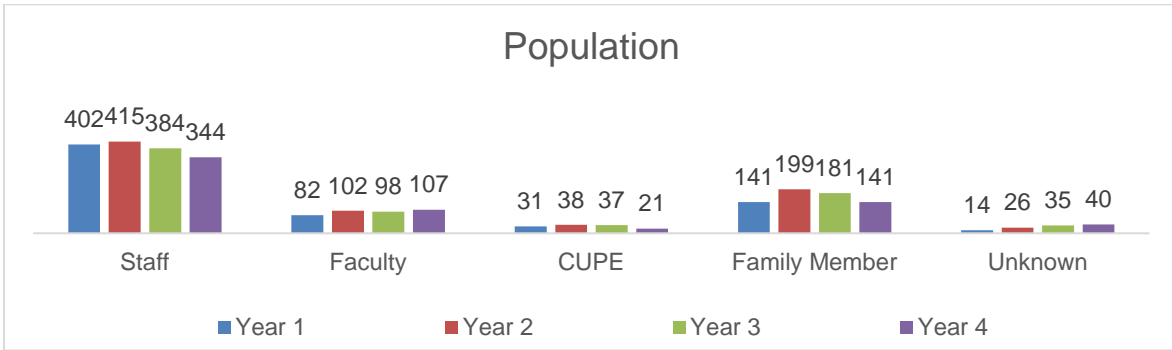
The EFAP can be accessed on a 24/7/365 basis through a toll-free number or by calling collect if the individual is located internationally (note: some services are not available outside of Canada and/or North America). There are five key components of the EFAP; the first three are accessed by individuals confidentially and directly, whereas the latter two are coordinated centrally, as follows:

- Counselling Services – unlimited number of sessions within a short-term outcome-based model; services are available by telephone or online (in-person mode is suspended)
- Life Smart Coaching – a series of work-life balance services available by telephone
- Online Services – elder/childcare locator, e-learning courses and health risk assessments
- Crisis Management Services (CMS) – counselling assistance for individuals and/or groups in the event of employment termination/suspension or traumatic event (in-person only if necessary with safety precautions)
- Wellness Sessions – 10 sessions per policy year are included in the contract (any sessions scheduled outside of regular work hours or with an audience in excess of 35 individuals in person/50 individuals virtually is subject to a surcharge); additional sessions available at a charge of \$495 per session

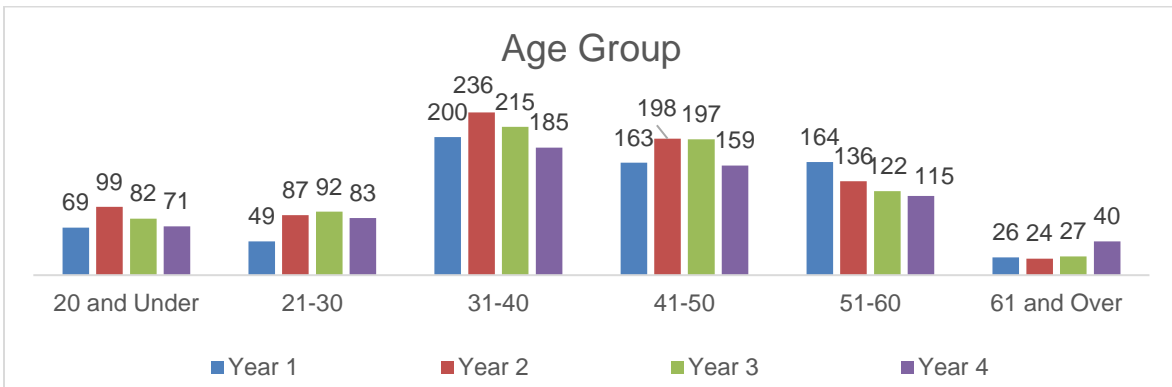
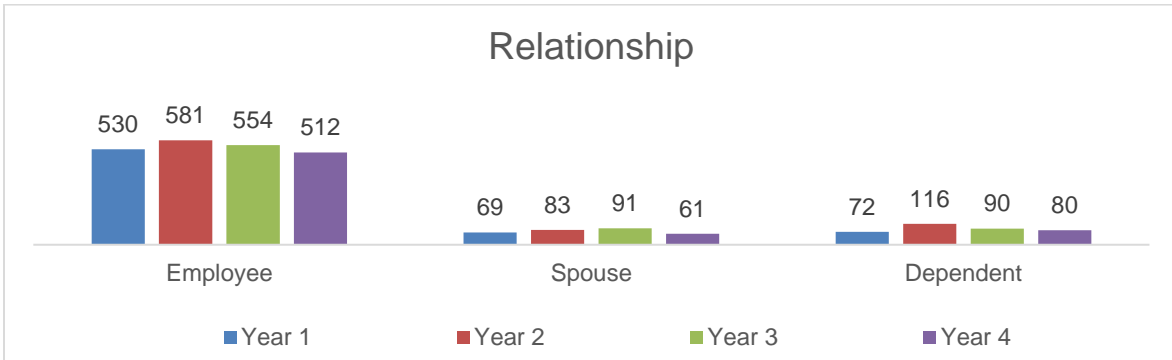
Overall Utilization

In total, there were 668.67 cases (545 counselling, 108 life smart coaching, and 15.67 online services) opened in Year 4 which represents an overall utilization rate of 14.34%. This is a slight decrease from the 15.94%, 16.99%, and 15.28% utilization rates in Year 3, Year 2, and Year 1, respectively. At the end of February 2020, utilization was tracking towards 16.29%; however, utilization decreased significantly at the commencement of the COVID-19 pandemic in March 2020 and has not yet returned to typical volumes. Homewood Health's benchmark based on data prior to the pandemic is 10.16% on an overall basis but 15.40% for the higher education sector.

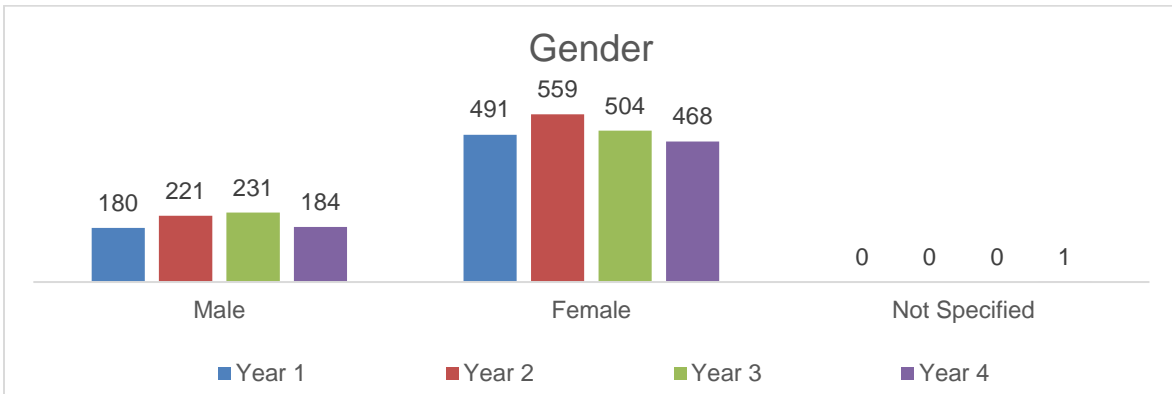
The distribution of the cases, excluding Online Services (based on how individuals self-identify - Homewood Health does not maintain eligibility data), is illustrated below:



* UW's eligible employees: 9% CUPE, 39% Faculty, 52% Staff

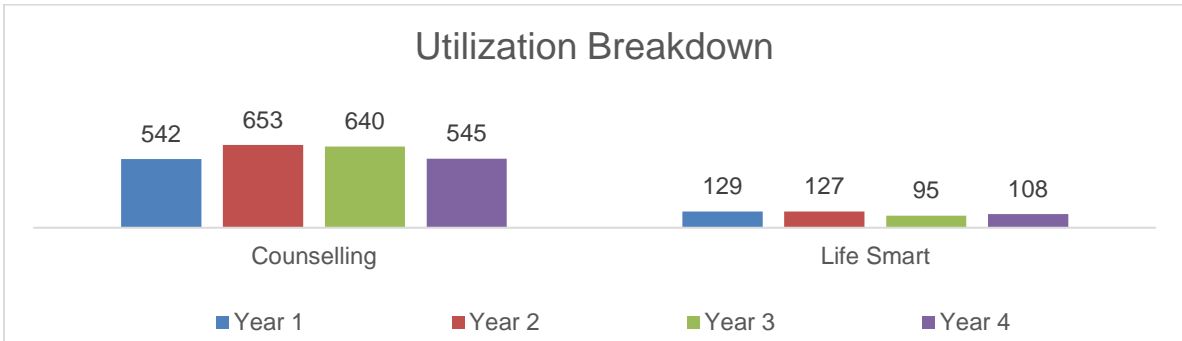


* UW's eligible employees: 8% between 21-30, 27% 31-40, 26% 41-50, 27% 51-60, 12% 60 and older



* UW's eligible employees: 52% female, 48% male

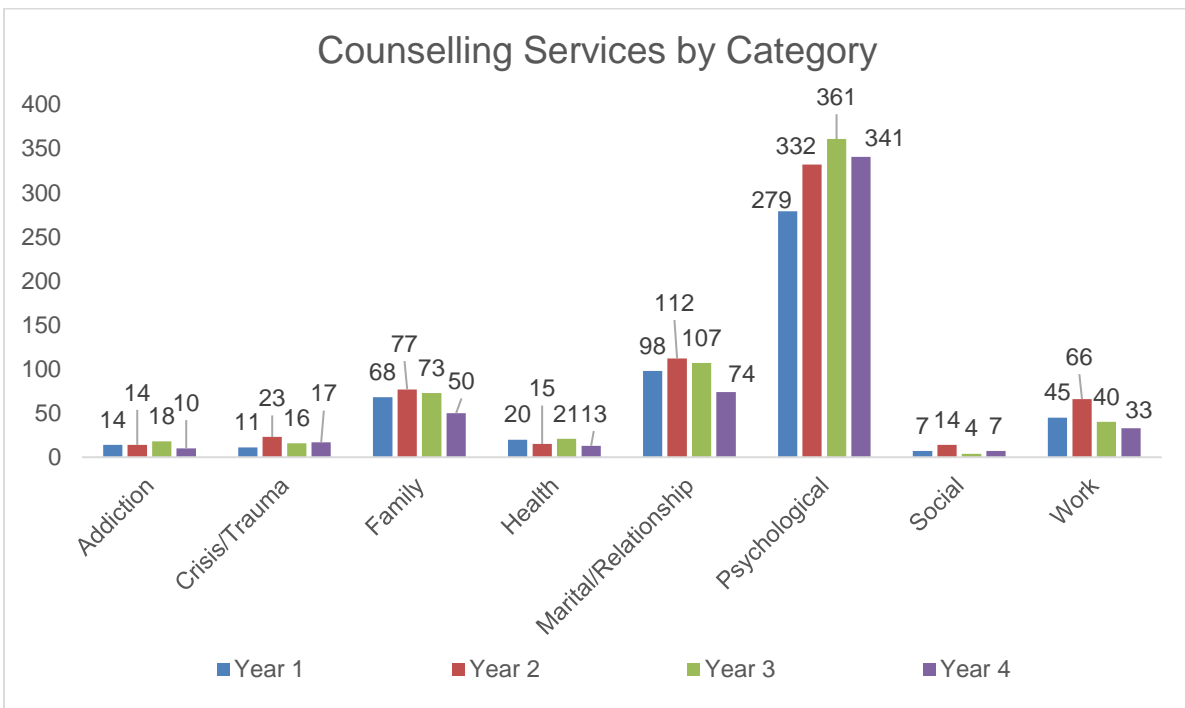
Excluding Online Services, 83% of the Year 4 utilization is associated with Counselling Services and 17% of the utilization is associated with Life Smart Services. Homewood Health’s benchmark for the higher education sector indicates 77.7% of utilization is typically aligned with Counselling Services.



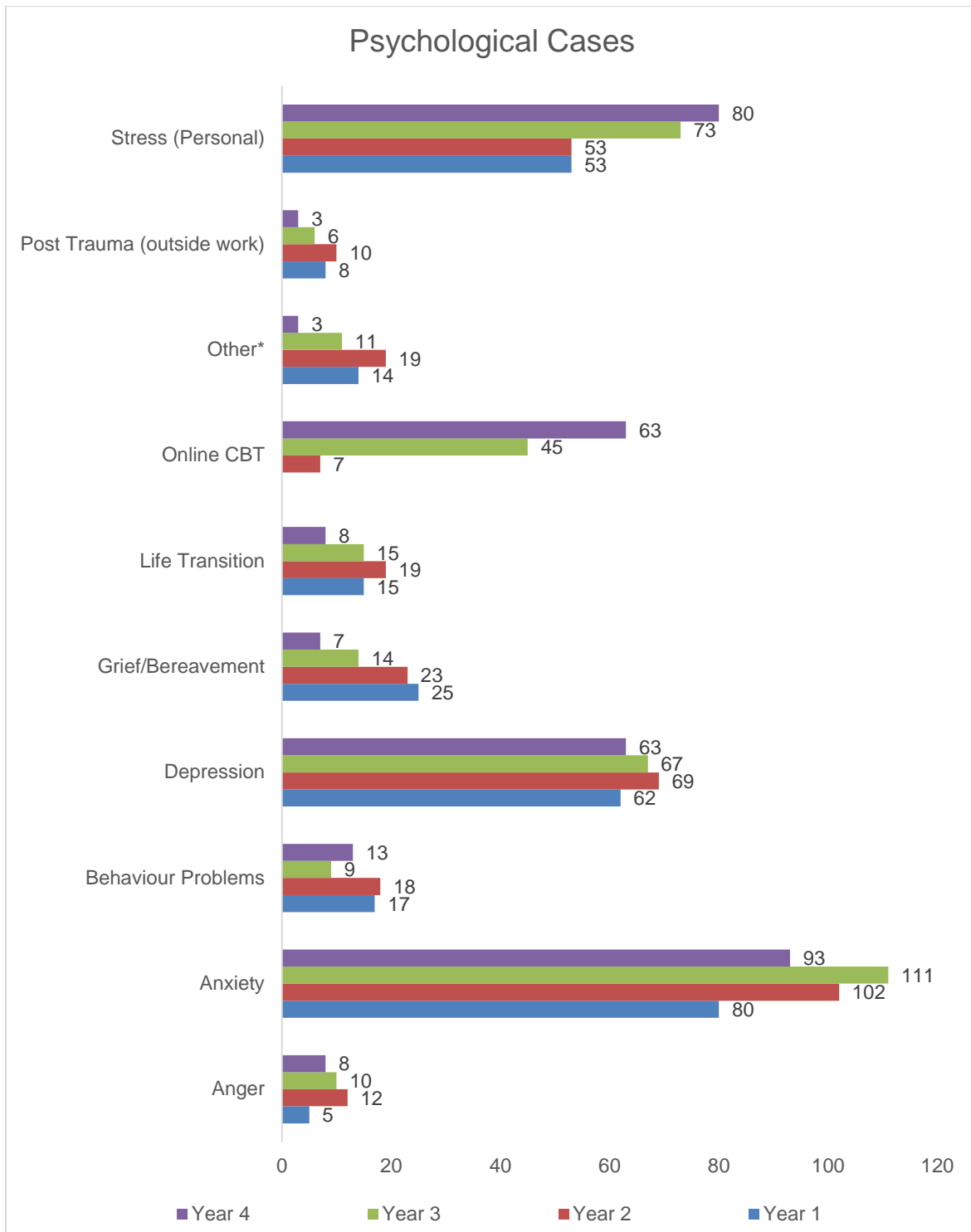
Counselling Services

There were 545 cases of Counselling in Year 4. This is less than the number of cases in Year 3 (640) and Year 2 (653) but slightly more than the number of cases in Year 1 (542).

Of the 545 cases, 62.6% correspond with psychological issues which represents an increase from the previous three years (i.e. 51.4% in Year 1, 50.8% in Year 2, and 56.4% in Year 3); this proportion is higher than Homewood Health’s benchmark of 57.8% for the higher education sector. Other significantly present categories continue to include marital/relationship (13.6%), family (9.2%), and work (6.1%) issues.



Within the Psychological category of Counselling Cases, the leading presenting issues in Year 4 are anxiety (27%), personal stress (23%) and depression (18%).



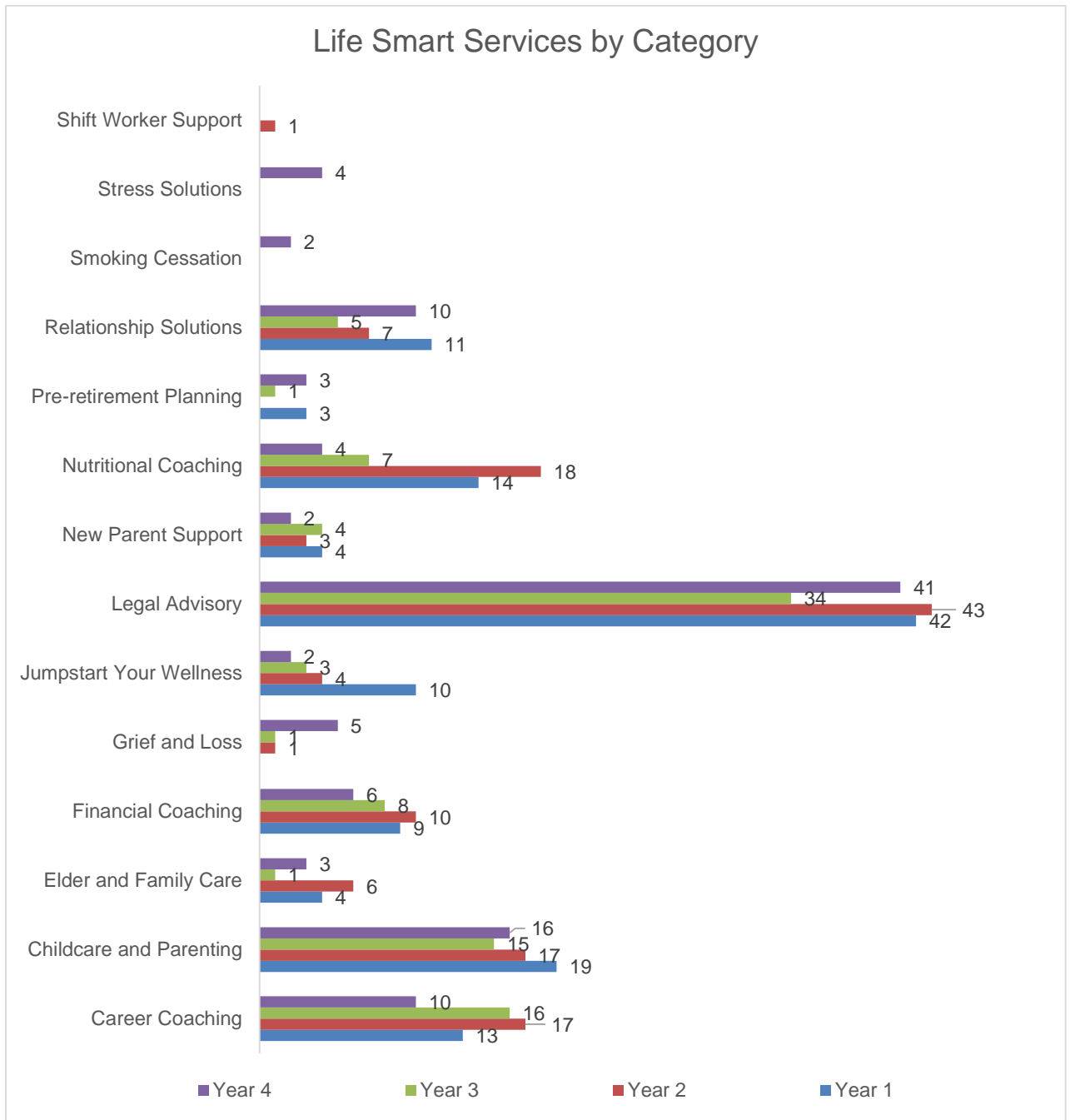
*Includes sexuality, learning disabilities, eating disorders, self-esteem, and other

**Online CBT (Cognitive Behavioural Therapy) was launched by Homewood Health in June 2018

Life Smart Coaching

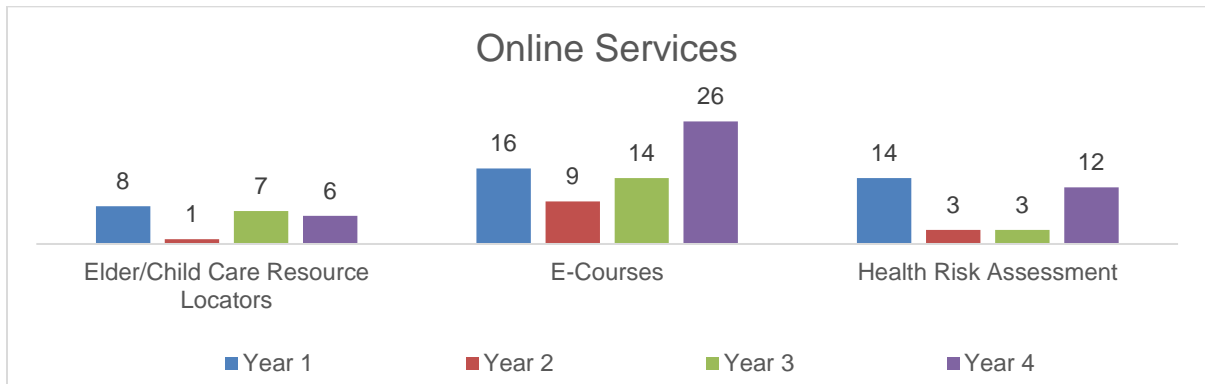
There were 108 cases of Life Smart Services in Year 4. This is more than the number of cases in Year 3 (95) but less than the number of cases in Year 2 (127) and Year 1 (129).

38% of cases correspond with Legal Advisory Services (22.2% of which correspond with family/divorce/custody issues) which is higher than the higher education sector benchmark of 29% but less the overall benchmark of 41.6%. Other significantly present categories include childcare/parenting services, career coaching, and nutritional coaching.



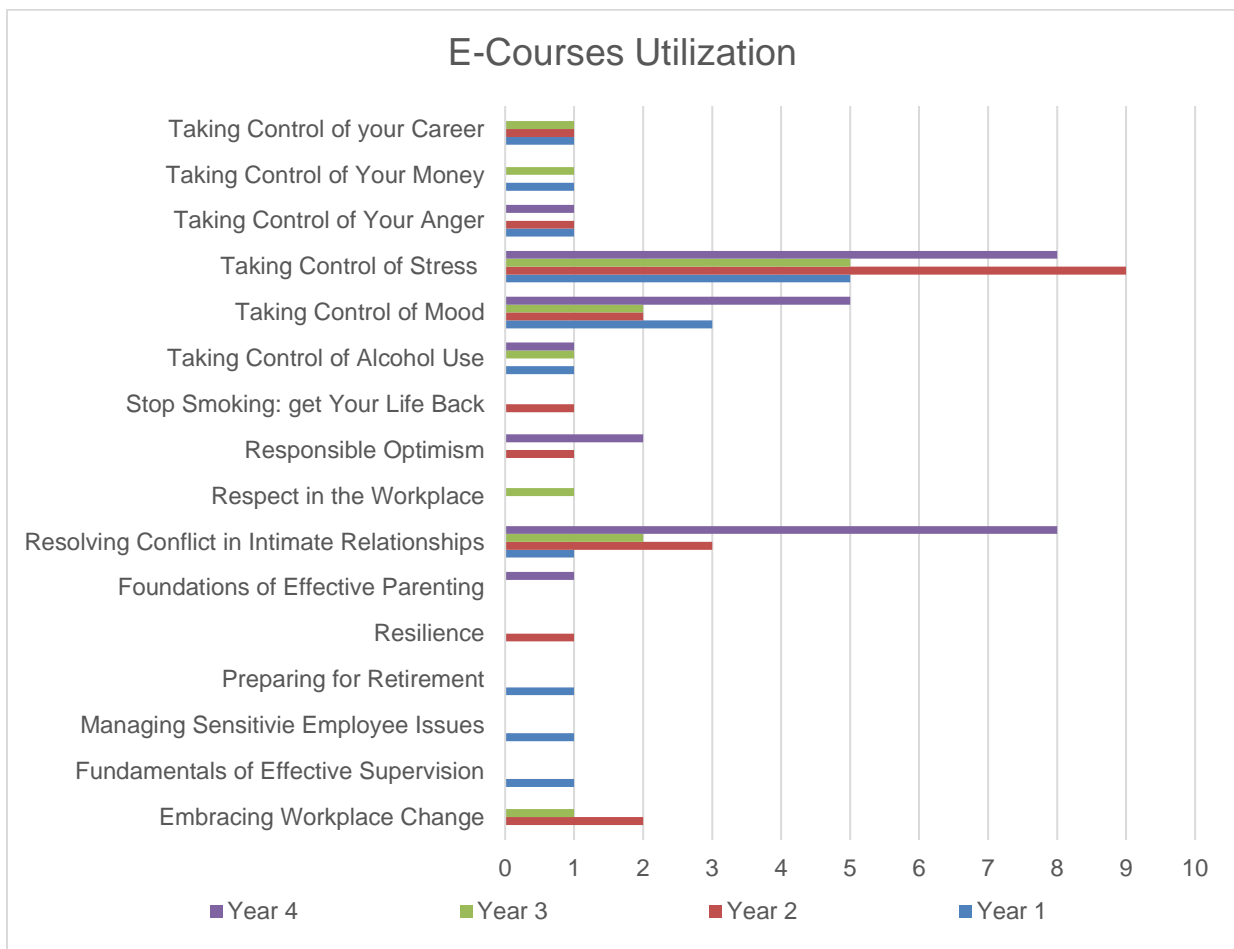
Online Services

A total of 44 online service counts (representing 15.67 cases) occurred in Year 4; in comparison, there were 24 online service counts in Year 3, 13 online service counts in Year 2 and 38 in Year 1. Most of the access in Year 4 related to e-courses.



Note: 1 service count is tracked as 0.33 of a case for e-courses and the health risk assessment whereas 1 service count is tracked as 0.50 for the elder/child care resource locator

Seven separate e-courses were accessed in Year 4 with 26 service counts; the most popular courses were Taking Control of Stress and Resolving Conflict in Intimate Relationships.



The Homeweb.ca website was accessed 418 times (317 returning users and 101 new users) and 292 new users registered in Year 4. The average visit duration was 6 minutes and 52 seconds (a decrease from the 8 minutes and 24 seconds spent on the site in Year 3 but an increase from the 6.5-minute average for Year 1 and 2).

- Top categories: Tools (menu includes i-volve, e-courses, life smart overviews, health risk assessment), Family and Counselling
- Top Articles: Depression and Anxiety, E-Counselling, and Resolving Conflict in Intimate Relationships

Crisis Management Services (CMS)

Sixteen CMS cases were utilized in Year 4 (10 employment terminations/suspensions, 4 related to death, 1 employee health crisis, and 1 organizational re-structuring). In comparison, there were 19 CMS cases in Year 3 and 11 CMS cases in Year 2. CMS access is charged by Homewood Health at an hourly rate.

Wellness Sessions

The allocation of 10 wellness sessions for Year 4 was as follows:

Topic	Date	Audience
Respectful Relationships in the Workplace (in person delivery; used 4 of the allotment to avoid surcharge)	November 7, 2019 November 9, 2019	- CUPE employees during Thrive week
Reducing Anxiety and Managing Transitions during COVID-19 (virtual delivery)	September 16, 2020	Members of Leadership Forum and the Academic Leadership Program
	September 23, 2020	- All employees
	October 14, 2020	- October sessions support Keeping Well at Work event
	October 15, 2020	- October sessions support Keeping Well at Work event
	November 3, 2020 November 5, 2020	- November sessions support Thrive week

Note: although some sessions are outside the September 1, 2019 to August 31, 2020 period (i.e. Year 4), all were scheduled prior to August 31, 2020

The Healthy Workplace Committee manages the allocation and coordination of wellness sessions; the EAP Committee monitors the EFAP usage on a quarterly basis.

Action Required: None