

SUBJECT	UBC STAFF PENSION PLAN REPORT
MEETING DATE	FEBRUARY 14, 2017

Forwarded to the Board of Governors on the Recommendation of the President

**APPROVED FOR
SUBMISSION**



Santa J. Ono, President and Vice-Chancellor

For Information

Report Date	December 20, 2016
--------------------	-------------------

Presented By Lisa Castle, Vice-President Human Resources
 Orla Cousineau, Executive Director, Pensions

EXECUTIVE SUMMARY

As part of its regular duties, the UBC Staff Pension Plan (Plan) Pension Board provides summary reports to the Board of Governors on key Plan developments.

The Plan was granted an extension by the pension regulator to December 31, 2017 for amending the Plan’s governance and funding policies to comply with the new requirements under the *Pension Benefits Standards Act (“PBSA”)*.

As there is now clarity on the status of the Plan, the Staff Pension Plan Board Terms of Reference and Governance Policy, dated February 2, 2012, will be reviewed and amended to respond to the Board of Governors request for a review and the requirements of the legislation. Lawson Lundell has been retained by the University to conduct a governance review for the Board of Governors.

An actuarial valuation will be completed as of December 31, 2016, to determine the funded position of the Plan, using the new funding rules for target benefit provisions. The valuation will determine:

- The adequacy of contributions to cover the cost of future benefits; and
- Whether the Plan meets the PBSA required margin for past and future service,
- Whether the Plan meets the Benefits/Funding Test required under the terms of the Plan, and
- What level of indexing, if any, can be provided to retired members.

As part of the actuarial valuation process, the Pension Board will develop a funding policy that reflects the Plan’s classification as a multi-employer plan having a target benefit provision, and that meets the new requirements of the PBSA. The new funding policy will be presented to the Board of Governors for approval in late 2017.

INSTITUTIONAL STRATEGIC PRIORITIES SUPPORTED

- Learning
 Research
 Innovation
 Engagement
 International
- (Internal / External)

or **Operational**

DESCRIPTION & RATIONALE The UBC Board of Governors has governance and fiduciary duties for the administration of the UBC Staff Pension Plan. UBC acting through the Board of Governors and senior management, is the sponsor and administrator of the UBC Staff Pension Plan.

FINANCIAL UBC is responsible for making fixed employer contributions to the Plan as defined in the Plan text, and is not responsible for making special payments in respect of any funding deficits. If the Plan does not meet the funding requirements under the PBSA, then either contributions must be increased or benefits must be reduced.
