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<b>SUBJECT</b>	UBC Staff Pension Plan (SPP) Annual Governance Report 2024
<b>SUBMITTED TO</b>	Finance Committee
<b>MEETING DATE</b>	June 3, 2025
<b>SESSION CLASSIFICATION</b>	Recommended session criteria from Board Meetings Policy: OPEN
<b>REQUEST</b>	For information only - No action requested
<b>LEAD EXECUTIVE</b>	Adam Charania, Vice-President Human Resources
<b>SUPPORTED BY</b>	Frank Laezza, Vice-President Finance & Operations Derrick Johnstone, Executive Director, Pensions

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### PRIOR SUBMISSIONS

The UBC Staff Pension Plan Board provides an annual governance report to the Board of Governors, as required under the Pension Board's Terms of Reference. The last report was received on [June 10, 2024](#).

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### EXECUTIVE SUMMARY

#### Annual Report

On an annual basis, the UBC Staff Pension Plan Pension Board ("Pension Board") provides a report to the UBC Board of Governors on the Staff Pension Plan's ("Plan") compliance with applicable laws, the Plan's internal policies, including the Pension Board's Terms of Reference, the Plan's Governance Policy and the Statement of Investment Policies and Procedures.

The Annual Report for 2024 confirms there is a robust governance structure in place and that the Board of Governors is discharging its oversight responsibility for the UBC Staff Pension Plan.

The Pension Board has reviewed and approved the Annual Governance Report for 2024. The Pension Board confirms that the UBC Staff Pension Plan is compliant with all legislation, internal governance policies and regulatory guidelines.

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### APPENDICES

1. UBC Staff Pension Plan Annual Governance Report from the Staff Pension Board for the calendar year 2024

**The University of British Columbia**

**Staff Pension Plan**

**Annual Governance Report from Staff Pension Board**

**for the calendar year**

**2024**

Approved by the UBC Staff Pension Plan Board  
on April 28, 2025

# The University of British Columbia Staff Pension Plan

## Annual Governance Report

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### 1 PURPOSE OF THIS REPORT

The University of British Columbia (the “**University**”) sponsors the University of British Columbia Staff Pension Plan (the “**Plan**”). The Plan provides benefits to non-faculty staff of the University and several related employers and bargaining agents. The Plan is registered under the *Pension Benefits Standards Act* (British Columbia) (the “**PBSA**”) and the *Income Tax Act* (Canada) (the “**ITA**”). It is a target benefit plan design, which means that benefit levels are defined, and the Plan is funded by fixed contributions from the Plan members and the University, as defined in the Plan text. The University contribution rate is 9.4% of pensionable earnings, and the employee contribution rate is 6.5% of pensionable earnings. The Plan’s benefits/funding test is used to assess the long-term sustainability of the Plan, and to ensure benefit levels are in balance with the capacity of the Plan’s funding level to support them.

The University of British Columbia Staff Pension Plan Pension Board (the “**Pension Board**”) has been established to perform administration duties related to the Plan and to oversee the Plan’s compliance with governing legislation and regulatory guidelines. The Pension Board meets at least four times per year to oversee the administration of the Plan, supervise agents, review and direct the investment of the Plan’s assets, receive reports and provide direction in respect of projects that the Pension Board has initiated. The Pension Board meetings are minuted.

As part of its regular duties the Pension Board completes this Annual Governance Report to update the Board of Governors on key Plan developments, including investment and funding matters.

### 2 OVERVIEW OF PLAN ADMINISTRATION

In May 2025, the Pension Board will issue the “Staff Pension Plan 2024 Annual Report”. This is the Pension Board’s annual report to the members and Plan stakeholders. It will provide an update on the membership and financial position of the Plan. It will also provide an overview of the Plan’s investments and long-term investment strategy.

As of December 31, 2024, the Pension Board was comprised of the following individuals:

Name	Position	Term
Naveen Kapahi	Independent Chair (non-voting)	January 1, 2024 – December 31, 2027
Shannon Dunn	Elected Board Member	January 1, 2023 – December 31, 2026
Kamila Giesbrecht	Appointed Board Member	January 1, 2021 – December 31, 2024
Michael Guimond	Elected Board Member	January 1, 2023 to December 31, 2024
Paul Kwon	Elected Board Member	January 1, 2021 – December 31, 2024
Yale Loh	Appointed Board Member	January 1, 2023 to December 31, 2026
Natasha Malloff	Appointed Board Member	October 1, 2023 – December 31, 2025
Graham McIntosh*	Elected Board Member	May 8, 2024 to December 31, 2024
John Metras	Appointed Board Member	January 1, 2024 – December 31, 2027

\* Mr. McIntosh was appointed by the Pension Board to fill an elected Board Member seat vacated due to a conflict of interest. Under the Terms of Reference, the Pension Board appointed Mr. McIntosh to serve until the next Board election cycle which was held in the fall of 2024.

## 2.1 Key Pension Administration Office Personnel

As of December 31, 2024, the Pension Administration Office was comprised of the following key individuals:

Name	Title
Derrick Johnstone	Executive Director, Pensions; Secretary to the Board
Peggy Martins	Director, Pensions
Kathy Pang	Communications Manager
Maricres De Leon	Pension Plan Accountant

## 2.2 Plan Service Providers

Service Provider	Duties
George & Bell (Actuary)	Provides professional advice on Plan funding, funded status and related matters; performs actuarial valuations and other filings; annual review of pension administration system.
UBC Investment Management (Investment Manager)	Implements investment directions in the Statement of Investment Policies and Procedures (SIPP), reviews investment performance and advises the Pension Board on investment matters.
TELUS Health, (Asset Consultant)	Provides independent investment advice on the SIPP, and the Plan's target asset mix.
The Northern Trust Company, Canada (Pension Fund Custodian)	Holds the pension fund in trust and pays all benefit payments.
Deloitte (Auditor)	Conducts annual independent audit of the financial statements of the Plan.
Pension Administration Office (Administrative Team)	Administers the Plan on a day-to-day basis.
Lawson Lundell LLP (External Counsel)	Provides legal advice on Plan design, interpretation, contracts, legislation, governance and compliance tracking.
Club Vita (Actuary)	Provides advice on longevity risk management.

## 3 KEY PLAN DEVELOPMENTS DURING 2024

Mr. Naveen Kapahi commenced his term as appointed, non-voting Chair on January 1, 2024. Mr. Kapahi is a retired actuary with over forty years of experience in the pension industry. Most recently Mr. Kapahi was the President of D.A. Townley, a benefits administration company operating as part of Pacific Blue Cross. Mr. Kapahi also served on the Pacific Blue Cross executive team. Ms. Debbie Wilson retired as Director, Pensions after nine years in the Pension Administration Office. Following a recruitment, Ms. Peggy Martins was hired as the new Director, Pensions.

An updated Statement of Investment Policies and Procedures (SIPP) was approved by the Pension Board in October 2024 and subsequently by the Finance Committee of the Board of Governors on November 20, 2024. The updated SIPP reflected the new target asset mix approved by the Pension Board in September 2024.

The Staff Pension Plan held elections for three seats in the fall of 2024.

#### **4 REPORTING TO THE UBC BOARD OF GOVERNORS**

Under the Pension Board's Terms of Reference and Governance Policy, the SPP Pension Board regularly reports to the Finance Committee of the UBC Board of Governors. In 2024 the Pension Board reported to the UBC Board of Governors in March, June and September.

#### **5 RISK MANAGEMENT**

The most recent actuarial valuation was completed as at December 31, 2022, and the next valuation is required as at December 31, 2025.

The 2022 actuarial valuation confirmed the Plan was well funded. The Plan's Benefits/Funding Test showed the current benefits can be supported over the long term, and the Plan increased indexing at 70% of the Consumer Price Index until December 2026.

The Pension Board continues to monitor the funded position of the Plan. The Plan's Actuary prepares quarterly monitoring reports for the Pension Board estimating the financial position of the Plan. The most recent monitoring report, as of December 31, 2024, confirmed the Plan was well funded. The estimated going concern funded ratio of 121.8%, and Benefits/Funding Test margin of 18.2%, show the Plan is in a healthy financial position.

Investment risk is one of the risks that can impact the funding level of the Plan and the Plan's ability to pay benefits. Investment risk is managed and monitored by the SPP Board through:

- Establishing an appropriate long-term asset mix policy (a new asset mix policy was established in Sept 2024).
- The annual review of the SIPP; and
- The ongoing review and monitoring of UBC IM's investment performance.

On an annual basis, the Pension Board monitors the Plan's longevity risk to ensure the baseline mortality assumptions are still appropriate. The mortality analysis completed in 2024 indicated that the Plan's actual mortalities over the three years ending 2023 is below what would be expected, with an actual to expected ratio of 95%.

#### **6 PENSION BOARD'S ASSESSMENT OF UBC IM'S PERFORMANCE**

The Pension Board has completed an annual assessment of UBC IM and is generally satisfied with UBC IM's performance. The Pension Board is examining ways to better communicate expectations to UBC IM as part of the Pension Board's responsibility to provide oversight of UBC IM's investment of Plan assets.

## **7 ANNUAL GOVERNANCE AND COMPLIANCE REPORTING**

The roles and responsibilities of the Pension Board are described in the Governance Policy and SPP Pension Board Terms of Reference, dated March 31, 2023. On an annual basis, the Pension Board is required to provide an annual report to the Board of Governors in a form consistent with Appendix D of the Terms of Reference.

The Pension Board has also reviewed and completed the Compliance Checklist Questionnaire for 2024, prepared by Lawson Lundell, and sought confirmation from UBC IM where necessary.

The Pension Board is satisfied the UBC Staff Pension Plan is in compliance with governing legislation, the Plan's Governance Policy, and the Pension Board Terms of Reference.