

## FASBU ARTICLE 7.4 (e)

### APPROVED MINUTES OF THE PENSION AND BENEFITS COMMITTEE (JANUARY 2014 – DECEMBER 2014)

Nipissing University

#### PENSION AND BENEFITS ADVISORY COMMITTEE MEETING MINUTES July 10, 2014

**Attendance:** Bob Keech, Chair  
Cheryl Sutton, Co-Chair  
Jane Barker, Senate Representative  
Chris Sarlo, Senate Representative  
Hilary Earl, Faculty Representative  
Casey Phillips, Administration Representative  
Kevin Vibe, Support Staff Representative  
Michelle Travers, Human Resources  
Carrie Duchesne, Recording Secretary

**Regrets:** Pauline Teal, Support Staff Representative  
Dana Murphy, Faculty Representative  
Jamie Graham, Administration Representative

**Guests:** Ann Denomme  
Jill Taylor Smith

#### Call to Order

Cheryl Sutton called the meeting to order at 9:05 a.m. and introductions were made around the table.

#### Review and Approval of Minutes from October 30, 2013

Moved by Hilary Earl and seconded by Kevin Vibe that the minutes of the October 30, 2013 Pension and Benefits Advisory Committee meeting be accepted as presented.

#### Review of Action Items From October 30, 2013 Meeting

1. Number of meetings per year – it was decided the committee will continue to have two meetings a year with ad hoc meetings as required. Hilary suggested the meetings take place in April and September.

## **Presentation by Hilary Earl**

Hilary presented information on the proposed Multi-Employer Joint Sponsored Pension Plan, which included the following highlights:

- In response to the concerns by the Wynne government in regards to pension plans, OCUFA has been working to find a solution that will provide pension plans that are secure and sustainable.

The Multi-employer Joint Sponsored Pension Plan is a shared risk plan.

There is a growing concern that employees are no longer able to retire. Retirees in the past would have \$1.5 million at retirement, but today many have only \$600,000.

- To date, 12 OCUFA members (Nipissing, Brock, Guelph, McMaster, NOSM, Ottawa, Queen's, Toronto, Trent, Waterloo, Wilfrid Laurier and York) are interested in exploring the multi-employer JSPP options.
- Hilary indicated that OCUFA's research indicates that defined contribution plans cost more than defined benefit plans. Costs for a defined benefit plan costs COU 18% including administrative costs. Cheryl will look into the current administrative costs with Standard Life.
- Hilary explained some of the advantages of the joint pension plan, which include:
  - Minimal transition costs as there would no deficit to start with;
  - Potential savings on administration costs;
  - No need to bargain for pension;
  - Faculty could retire, which would promote faculty renewal and reduce total payroll for the University;
  - The plan would provide a better recruitment tool for the University as it would put Nipissing on an even playing field with other universities in Ontario;
  - The plan is supported by the Provincial government.
- Hilary explained the MOA would like to see the plan implemented June 2015.
- Hilary described the three working principles of the pension plan:
  - 1) Start fully funded;
  - 2) Wynne government to alter legislations to allow asset transfer; and
  - 3) MOA that would enable consent from each association for the adoption of the pension plan.
- Jill confirmed the overall cost of a defined contribution plan is higher than a defined benefit plan. The challenge will be how to convert balances as there is a timing risk.

- Chris has concerns as to how the balance will be transferred and at what rate of return. Hilary explained that the larger number of members in the defined benefit plan the higher the asset level will be.
- Cheryl explained that the University cannot take on any more risks with the current fiscal constraints, but would be interested in exploring the opportunities. Bob agreed that it is worthwhile to look into the plan. Cheryl suggested the executive team meet to discuss the options. Cheryl will touch base with Greg Zimnicki in regards to the information provided at the meeting. Cheryl suggested these discussions be ongoing and this topic be a regular agenda item.
- Chris suggested that Hilary discuss the pension plan with NUFA sooner than later. Hilary explained no commitments have been made as we are currently exploring the idea.

**Presentation by Mercer by Ann Denomme:**

Ann presented an overview of the benefits environment within Canada which included the following:

- A higher number of biological drugs and fewer generic drugs are entering market. The market is seeing drug reform around generic drugs as employers and insurers are trying to get the best deals to control costs.
- Wellness and mental health is a large concern in the workplace today. Disability management is currently dealing with mental health issues in claims. Cheryl explained that Human Resources deals with mental health concerns on a daily basis. Hilary stated that NUFA is concerned with long-term disability and return to work policies as there has been inconsistencies in the past. Cheryl explained that return to work is very specific to the employee and should be guided by HR to ensure consistency.
- We continue to see increases in dental costs because as our population ages, dental care becomes more complicated.
- Technology in claim submission has become more advanced with phone apps and different online submission options.

Ann presented an update on the University's plan experience which included the following:

- Drugs (56%) and Out of Province (19%) are the top two claim distribution services for extended health.
- Massage therapy, chiropractor and physiotherapist are the top three claim distribution services for paramedical care. Jane asked if our \$300 per year for paramedical services is the norm. Ann answered that the standard is between \$300 and \$500 per year.

Ann presented a drug utilization review which included the following:

- A report was provided with a list of the top 10 high priced drugs used by our employees.

Ann presented on the Health Case Management which included the following:

- A survey was completed to evaluate the overall experience and program process. The survey was completed by those who have gone through the program. Research indicates that 90% of those surveyed strongly agreed that the "health case manager resolved my concerns or issues in a timely manner".

Sun Life and Manulife have recently introduced the program.

**Presentation by Eckler by Jill Taylor Smith**

Jill provided a plan update which highlighted the following:

- Three funds changes occurred in Q1. SLI Diversified and Jarislowsky Fraser Canadian Equity were removed from the plan. Standard Life notified members of changes in funds, but most members

did not respond. Beutel Goodman Canadian Equity was added as a fund option. Additional GIC's were added, which allows our plan to have two sets of GIC's.

- The average RPP balance is \$107,000 - \$111,000 and the median is \$50,000 - \$75,000.
- CAPSA released Guideline No. 8 in March 2014, which is specific to defined contribution plans.
- Semi-annual presentations by Standard Life are not well attended relative to the size of the membership. Member engagement with defined contribution plans is a huge issue.
- SIPP (Statement of Investment Policies & Procedures) must be filed in 2015 and only filed again if there are any changes. The SIPP will be updated at the next meeting.

Jill provided the Semi-Annual Administration and Performance Review which highlighted the following:

- There was a substantial amount of transfers last year (net withdrawals) although the plan still grew in total assets.
- There has been an increase in asset allocation to the target date funds due to the current market.
- Overall, there are more members with balances over \$100,000 and a decrease in \$25,000 balances. Jane suggested number of members by account size be tracked by \$250,000 and \$500,000 as well.
- The Investment Summary Report was presented, which outlined the following:
  - The Ethical SRI Canadian Equity Growth fund performance is improving due to a change in management. Jill recommends the fund remain on "watch".
  - The US Equity Index is a nine on the tracking system although there is no significant concern at this time.
  - The Templeton Global Equity fund is rated a 2, which is up from a -5 from the last report. As of March they were a solid green as performance has turned around. Jill recommends the fund be removed from "watch".
  - The Invesco Trimark Global Equity fund has been on watch since August. The fund is comanaged by three portfolio managers although one manager recently left voluntarily. Eckler is watching the fund to see if the new management team can turn things around as the current performance is mediocre. Jill recommends the fund remain on "watch".
  - The Beutel Goodman Fixed Income fund should be placed on "watch". The current manager positioned the fund for increasing rates, which has not happened. The fund has underperformed and rankings are worrisome. Eckler will come back to the next meeting with one or two replacement options for this fund.
  - The SLI Mortgage Fund has historically underperformed and the suggestion is to find a new benchmark. The SLI Mortgage Fund has not tracked well against its stated benchmark

FTSE/TMX Mortgage Index. Jill suggests that we replace the SLI Mortgage Fund with the Greystone Custom Mortgage Index as it is a better investment in terms of performance.

- Jill recommends Standard Life Real Estate be removed from “watch”.
- CAPSA Guideline No. 8 is specific to defined contribution plans and outlines best practice guidelines. The key aspects of the guideline includes:
  - New responsibilities for members – the member is responsible for their own investment decisions and should continually review fund choices
  - Enhanced communication to members during the accumulation phase – information in regards to investment options, how to maximize investment options and estimated account balances should be provided to the member
  - Enhanced communication to members approaching the decumulation phase – provide information on all retirement products to members such as what is a LIF / RRIF / Annuity
  - Information on adverse amendment for defined contribution plans – provide notice (written) of an adverse amendment to affected members
- Jill recommends we continue to communicate the availability of additional GIC insurance coverage.
- Hilary asked what our usage stats are. Jill stated the website access is 10%, which is average.

Jill provided a presentation on “Guided Outcomes”, which is a tool that was developed by Eckler to assist members in ensuring that they have enough money to retire.

- GO focuses on setting a target income for retirement and helps the employee reach the target. It provides a better understanding around targeted retirement income.
- Research shows that members value a defined contribution plan as part of their overall benefit package, but they are not maximizing contributions and are not engaged in managing their plan.
- GO is a tool to access information, find any problems which may exist and strategize for a solution.
- Jill explained that GO is a solution for unengaged members, is easy to understand and implement, will improve outcomes for our members, allows for workforce management and reduces business risks.
- Hilary stated it is difficult to determine how much enough is as we do not have any data from our retired members. Jill explained that GO will look at salaries and balances to forecast retirement needs.
- Jill explained that the factors in the program can be adjusted to tailor to our group. Once GO looks at the population it can determine the problem areas.
- Members do not have to use the tool although the plan can be designed to engage those members who choose to be informed of investment options.

- Cheryl explained that it provides an option of communication in order to get our members engaged and there may be some value in the program.
- Jill will provide the committee with a proposal at the next meeting.

### **Other Business**

Cheryl provided information in regards to the transition from the Ottawa Great West Life Office to the London office.

- Cheryl recognized that employees have received less than stellar service with Great West Life including inaccurate advice and delays in resolving issues. Our account has been transferred to London where GWL has had a better service record. If we do not see an improvement in service we will then make the decision as to whether to go to market for another provider.
- Cheryl asked the committee to inform Human Resources of any examples of poor service as we may not be aware of all issues.
- Ann explained that Great West Life is aware of our concerns and has committed to resolving issues and to go behind the scenes to see what went wrong. They will be reviewing the past year of calls to see where the problems are. Cheryl explained that Great West Life will be training the front line employees to ensure accurate information is provided to our employees.
- Ann stated the Regional Director and Service representatives are willing to come and meet with the committee in order to resolve any issues.
- Cheryl, Michelle and Carrie will be visiting the London to meet the new team. Cheryl explained that we are doing everything we can to try to improve service.
- Hilary sent out a survey to NUFA in regards to our benefit services. Cheryl asked that Hilary provide the survey to her before the trip to London.

### **Adjournment**

Motion to adjourn the meeting at 11:35 am was moved by Hilary Earl and seconded by Jane Barker.





**Nipissing University**

**PENSION AND BENEFITS  
ADVISORY  
COMMITTEE MEETING  
MINUTES  
November 4, 2014**

**Attendance:**                    **Bob Keech, Chair**  
   **Cheryl Sutton, Co-Chair**  
   **Jane Barker, Senate Representative**  
   **Chris Sarlo, Senate Representative**  
   **Hilary Earl, Faculty Representative**  
   **Casey Phillips, Administration Representative**  
   **Jamie Graham, Administration Representative**  
   **Pauline Teal, Support Staff Representative**  
   **Michelle Travers, Human Resources**  
   **Carrie Duchesne, Recording Secretary**

**Regrets:**                        **Kevin Vibe, Support Staff Representative**  
   **Mike Parr, Faculty Representative**

**Guests:**                        **George Duoma, Standard Life**

**Call to Order**

Cheryl Sutton called the meeting to order at 9:06 a.m.

**Review and Approval of Minutes from July 10, 2014**

Moved by Casey Phillips and seconded by Hilary Earl that the minutes of the July 10, 2014 Pension and Benefits Advisory Committee meeting be accepted as presented.

**Review of Action Items From July 10, 2014 Meeting**

1. JSPP – Cheryl stated these discussions will be ongoing and will be a regular agenda item.
2. Guided Outcomes – Cheryl has a meeting scheduled with Jill in November to review proposal.
3. Report for balances over \$500,000 – Report was forwarded to committee on November 10<sup>th</sup>.

**Discussion re: JSPP**

- Hilary provided the committee with the power point presentation from the first University JSPP Plenary Body Meeting that was held on October 17, 2014. Hilary explained that Nipissing University is one of the stakeholders in the JSPP project. Larry Patriquin will soon take over the responsibility for this file, but Hilary will continue to be involved.

- Bob also attended the University JSPP Plenary Body Meeting. He explained four subcommittees (features & benefits / actuarial & finance / governance / corporate structure) will be created in order to draft the JSPP plan. Bob stated the intent of the meeting was to convince people to sign up for the committees. Cheryl has volunteered to be on one committee and Larry Patriquin will be on two committees.
- Hilary explained that there seems to be some resistance from faculty members in regards to the JSPP. Faculty members seem to be nervous about relinquishing control of their plan. Jamie stated that transition rules will be put in place to alleviate those concerns.
- Chris asked what stage the JSPP is currently at. Hilary explained that the committees are in the process of creating formal plan documentation. She noted that Nipissing is not committed to joining the JSPP.
- Bob and Cheryl stated that there is positive feedback within other University communities and people seem to be very optimistic about the creation of a JSPP.
- Chris strongly urged the University to begin to communicate the idea of the JSPP to the community. Bob and Cheryl agreed that communication is very important. Bob, Cheryl and Hilary will begin a communication strategy. Jamie suggested that the messaging state that the JSPP is in the preliminary stages and nothing is set in stone at this point.
- Cheryl stated that we will continue to update the committee on any new information as it is the perfect venue for these discussions. The University has made no commitments at this point. Cheryl explained that participating in the process allows us to contribute to the development of the plan.
- At the end of the project (October 2015) institutions will be invited to consider the JSPP.

**Presentation by George Duoma:**

George distributed the Committee Review Meeting booklet and highlighted the following:

- There have been some changes to Standard Life staffing with Manon Bourgault (VicePresident, Group Savings & Retirement) returning to lead the Member Financial Services Centre team and Louise Pellerin-Lacasse (Vice-President, Risk Management) retiring after 35 years of service.
- Standard Life will be selling their Canadian operations to Manulife subject to various approvals.  
The transition will take 18 to 24 months after they have received approvals from shareholders, FISCO and the Minister of Finance. Cheryl explained that she will be working closely with Eckler and Standard Life to ensure that we are provided with the same level of service.
- Standard Life has introduced more reporting tools in the VIP Room. There are now more than 35 reports available to members.
- As of September 30, 2014 the total assets in the plan were \$52,243,944.
- LifePath Index 2015 will be closing on November 28<sup>th</sup> of this year. All funds will be placed into the LifePath Index Retirement fund.

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- The 5 year compound interest accumulator fund was added for security for those with funds over \$100,000.
- Eckler is concerned with the performance of the Fixed Income Beutel Goodman fund. They will be recommending a replacement fund within the next few months.
- The consolidated rate of return from October 1, 2013 to September 30, 2014 was 13.11%, which is great.
- We currently have 478 members in the pension plan, which is an increase of 19 members from last year.
- Hilary asked if we can have a report that combines member assets and ages, which would include balances over \$300,000 including age. George will send Cheryl the new report.
- During Q3 Standard Life received 27 calls from our members and 760 internet accesses. George explained that the unique internet users are 27%, which is quite high compared to other companies. Cheryl stated that it is high within the standard but we are striving for higher participation rates.

- The Canadian Association of Pension Supervisory Authorities released Guideline #8, which is a set of guidelines related to tools and information that we should be providing to our members. George explained that we provide information to our members through the meetings with the consultants that are done twice a year and that we are currently in compliance.

### **Other Business**

Cheryl provided information in regards to the transition from the Ottawa Great West Life Office to the London office.

- Cheryl stated that since the account change from Ottawa to London occurred we have experienced better customer service and complaints have declined.
- Dianne Ebear from Great West Life provided employees with information sessions last week. We had over 70 employees attend the sessions.
- Cheryl stated that we are very pleased with the change and have no appetite to change at this time.

### **Adjournment**

Motion to adjourn the meeting at 10:10 am.