

# FASBU ARTICLE 7.4 (e)

## APPROVED MINUTES OF THE PENSION AND BENEFITS COMMITTEE (JANUARY 2016 – DECEMBER 2016)

Nipissing University

PENSION AND BENEFITS ADVISORY  
COMMITTEE MEETING MINUTES  
January 11, 2016

Attendance: Cheryl Sutton, Co-Chair  
Hilary Earl, Faculty Representative  
Mike Parr, Faculty Representative  
Jamie Graham, Administration Representative  
Pauline Teal, Support Staff Representative  
Kevin Vibe, Support Staff Representative  
Jenny Mackie, Human Resources  
Stacie Thomson, Human Resources  
Carrie Duchesne, Recording Secretary

Regrets: Bob Keech, Chair  
Casey Phillips, Administration Representative  
TBD, Senate Representative  
TBD, Senate Representative

Guests: Jill Taylor-Smith, Eckler  
George Duoma, Manulife

### Call to Order

Cheryl Sutton called the meeting to order at 2:05 p.m.

### Review and Approval of Minutes from May 5, 2015

Moved by Mike Parr and seconded by Pauline Teal that the minutes of the May 5, 2015, Pension and Benefits Advisory Committee meeting be accepted as presented.

### Review of Action Items from May 5, 2015 Meeting

1. Transition from Standard Life to Manulife – Jill will provide an update regarding transition dates, but the transition will be ongoing.
2. JSPP – Cheryl stated these discussions will be ongoing and will be a regular agenda item.

Presentation by Jill Taylor Smith:

Jill highlighted the following in the Executive Summary:

- Jill stated it was worthwhile going to market this past summer as we received lower IMF fees.
- Jill explained we should consider offering Group RRSPs to all employees as an additional low-fee savings. Cheryl and Hilary agreed to proceed with offering the Group RRSPs to all employees. Stacie and Jill will create a communication that will be forwarded to all employees as soon as possible in hopes of being able to take advantage of this year's contribution deadline. Jill stated there is the option of offering a TFSA as well. It was decided that Jill will look into fees associated with withdrawals in the TFSA prior to committing.

Jill highlighted the following in regards to Member Engagement:

- Jill explained the plan experienced significant withdrawals in the first half of the year and a decline in the number of participants. Most members when terminated pulled their assets from Standard Life.
- As of June 30, 2015, there were 7 members who had over \$100,000 in GICs. Communication continues regarding the availability of additional GIC coverage.
- Over one third of our plan members have account balances over \$100,000.

Jill highlighted the following in regards to the Transition to Manulife:

- Jill stated all Standard Life funds are now available on Manulife's platform.
- Jill explained the transition has begun for defined benefits accounts, but group retirement accounts are expected to begin in the second quarter of 2016. Nipissing's transition date will be the end of 2016 or Q1 of 2017.
- Jill stated members with GIC holdings will be mapped over line by line.
- Jill explained contribution history for the past two years as well as personal rates of return from a member's first contribution will be retained.

Jill provided a summary of investments:

- Jill stated the transition from the Beutel Goodman Fixed Income Fund to the PH&N Bond Fund was completed in April 2015 and went well.
- Jill explained one of the co-portfolio managers of the PH&N Bond Fund took a leave of absence during the summer and returned to portfolio management duties as he did not enjoy the senior management role. The role is now shared by two managers; therefore, they will monitor the fund closely.
- Jill explained the Fidelity Canadian Asset Allocation Fund will be coming off watch in December.
- Jill explained SLI has merged with Manulife, but they have two index teams.

- Jill stated the Ethical SRI Canadian Equity Growth Fund will be removed from watch as they have changed managers and performance is improving.
- Jill stated the Fidelity Canadian Asset Allocation and SLI Real Estate funds will be removed from watch for the Q4 report.
- Jill stated there are concerns with the Templeton Global Equity Fund and Invesco Trimark Global Equity Fund due to performance issues. Templeton will complete the year below benchmark following two years of poor numbers. Jill explained that funds are placed on watch due to qualitative and/or quantitative concerns. The SIAP&P only allows a fund to be on watch for 18 months, at which time it will need to be removed from watch, have further contributions blocked to the fund and allow members to exit the fund, or remove the fund expediently and replace with an alternative.

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- Jill explained the Invesco Trimark Global Equity Fund was placed on watch in June 2012 after the departure of Dana Love (lead portfolio manager). Three portfolio managers took over the responsibilities and in August 2013 another departure occurred with a fund manager. There has been no changes since the last departure in 2013, but Eckler recommends that the fund remain on watch due to performance concerns. Since the fund has been on watch for more than 18 months, the Committee now has to decide whether to retain the fund or not.
- At the May 5, 2015 meeting, the committee approved the Pyramis Select Global Equity Fund as the replacement fund for the Invesco Trimark Global Equity Fund, but was decided to delay until the plan transitioned to Manulife's system as Pyramis is only available with Manulife. It was thought that the transition would have happened in late 2015 or early 2016. The other recommended fund, MFS Global Growth Fund, is available on the Standard Life platform. Jill stated their recommendations remain as the Pyramis and MFS funds.
- Jill explained only one of the shortlisted funds is available to the plan at this time; therefore, the following options need to be considered:
  1. The Plan can remove both the Templeton Growth Fund and the Trimark Global Equity Fund and replace both with the MFS Global Growth Fund. The Pyramis Select Global Equity Fund could be added after the transition to Manulife.
  2. To maintain two global equity options, the Plan could remove either Templeton Growth Fund or Trimark Global Equity Fund and replace it with the MFS Global Growth Fund. During run-up to transition, the need for a fund change can be re-evaluated and implemented if necessary. Our recommendation would be to remove the Templeton fund earlier.
  3. Keep both current global equity options until transition. Nipissing, Eckler and Manulife can work together to determine whether it would be appropriate to move the transition date earlier.
- Jill recommends option #2, which would be to remove Trimark from watch and replace the Templeton fund with the MFS fund. The Trimark Global Equity Fund will continue to be monitored and put back on watch if need be.

MOTION: Moved by Hilary Earl, seconded by Kevin Vibe that the Trimark Global Equity Fund be removed from watch, as well as, remove the Templeton Growth Fund and replace with MFS Global Growth Fund.

Jill highlighted the following in regards to the Ontario Retirement Pension Plan (ORPP):

- Jill explained the plan would cover all Ontario employees not in a comparable plan and will be 15% of covered earnings.
- Jill explained employers and employees will contribute 1.9% of pay between a lower limit of \$3,500 and \$90,000.
- Jill stated it will be phased in by company size beginning 2017. A survey will be required to determine who will have to join. The plan will be administered by the ORPP Administration Corporation.
- Jill explained most DB plans will be considered comparable plans and DC plans with a total contribution of 8% with an employer mandatory contribution of at least 50% will be considered a comparable plan.

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- Jill stated that Nipissing qualifies as a comparable plan, but those employees who decide not to enroll on the group plan will have to enroll in the ORPP. Nipissing has until January 1, 2020 to enroll members who are not in the comparable plan in the ORPP.

Jill highlighted the following in regards to the FSCO:

- Jill explained in October FSCO released guidance notes concerning SIPPs as they relate to DC plans and Environmental, Social and Governance (ESG) factors.
- Jill explained for DC plans, FSCO provided criteria on disclosure in SIPPs including: fee monitoring, permitted funds, member communication and ESG.
- Jill stated beginning January 1, 2016, all SIPPs must disclose how ESG factors impact their investment policy.
- Jill explained FSCO released another guidance note (IGN-005) in December for comment and Form 14. Form 14 will need to be submitted with the SIPP by March 1, 2016.
- Jill explained Environment, Social and Governance investing refers to investing where the following factors are taken into consideration:
  - o Environmental Considerations
    - Climate change, deforestation, location of raw materials, non-renewable resources, mining practices, organics, pesticides, sustainability, water use, waste, pipelines, fracking, etc.
  - o Social Considerations
    - Health & Safety, human rights, working conditions, labour standards, labour relations, product safety, rail safety, community relations, giving and philanthropy, etc.
  - o Governance
    - High performance boards, voting and shareholder engagement, financial reporting/disclosure, shareholder rights and protections, executive and director compensation, supply chain management, compliance, ethics, etc.
- Jill stated the United Nations have set out Principles for Responsible Investment, which is based on six principles. All fund managers except one have signed on to follow the principles. Mike asked who monitors that they are meeting the principles if they have signed on. Jill answered it is self-monitoring at this time. Jill explained screening will be including or excluding publicly traded securities from investment portfolios based on ESG criteria.
- Jill explained there was a demand from plan members which resulted in Nipissing including a fund that uses ESG considerations in its investment process (Ethical SRI Canadian Equity Fund). The SIAP&P specifies that every attempt should be made to include a fund with a specific ESG mandate as an investment option for the Plan. Jill stated Manulife has very few ESG options.
- Jill provided the committee with the proposed language for Nipissing's SIAPP:

“In response to Member request for an investment option with a socially responsible investment (SRI) or ESG focus, the Ethical SRI Canadian Growth Fund is an investment option of the Plan. This fund has a specific mandate to invest in forms with a bias to socially responsible operating practices. For all investment options, ESG

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considerations are left to the discretion of the fund manager, but they may form part of the manager selection process”

MOTION: Moved by Hilary Earl, seconded by Kevin Vibe that the above statement will be included in Nipissing’s SIAPP regarding ESG requirements.

- Jill noted the updated Statement of Investment and Administrative Policies and Procedures will need to be filed by March 1, 2016. The committee was provided with the revised document to review and approve. Jamie suggested the ESG process be added to Appendix A – List of Investment Options. Jill and Cheryl agreed with Jamie. Stacie will forward the updated document to all committee members for review and approval. Cheryl stated if you are not satisfied with the document to please let Stacie or herself know. Cheryl stated the vote will be done via email.

Presentation by George Duoma:

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

- George stated on July 1, 2015, Manulife received a certificate of approval from the Minister of Finance.
- George outlined the following regarding the plan member transition experience:
  - o No member action required o No change in investment – dollar or funds o Plan assets remain invested
  - o Each Guaranteed Interest Account deposit rate, term and maturity date is retained o No taxable event on transition of non-registered assets o Historical information and forms are retained
  - o Plan member secure site
- George stated fifteen days prior to the transition all members will receive a plan member transition guide which will outline Manulife’s tools and resources, key dates on transition and secure site login instructions.
- George stated all Standard Life segregated funds will be added to the Manulife administrative system and eventually no assets or plans will remain on the Standard Life system.
- George stated all Standard Life funds will use Manulife’s naming convention (i.e. Manulife <<underlying fund name>>).
- George explained as of December 12, 2015 all members will have been re-directed to the new Manulife branded transition page when visiting [www.standardlife.ca](http://www.standardlife.ca). All plan members were notified of the change.
- As of November 30, 2015 our closing balance was \$54 million.
- George explained all funds will continue on Manulife, however the only difference will be the index funds will be managed by Manulife.
- George noted the average balance out of 442 members is \$122,285.
- George stated the rates of return from December 1, 2014 to November 30, 2015 is 4.96%.

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- George explained 30% of our members contact Standard Life via the VIP Room, contact centre, website, etc., which is much higher than most plans.
- George noted 96% of our members have not set a Retirement Goal on the Standard Life website.

#### Other Business

- Stacie explained plan members will begin to receive mail at their home address from Manulife and Standard Life. Stacie will send an email communication informing all members.
- Cheryl and Jamie attended a weekend meeting in November regarding the JSPP. Cheryl explained some parameters have been sorted out and they are beginning to have a better idea of what the plan will look like. Jamie stated the legislative details and regulations need to be figured out prior to the plan being approved. Cheryl stated once the plan has been approved, we will have Eckler determine cost and benefit of the plan. Cheryl explained Nipissing participated in the most important parts of the planning and is confident that the decisions made from now on will not preclude us from joining. Hilary stated Larry Patriquin will be a Special Advisor for the plan and offer advice as a DC plan member. Hilary stated Larry could make a presentation at the next meeting with any updates. Hilary requested an analysis of our spending on pension costs excluding AVC's and TPP. Cheryl and Jill will work on the report and provide to NUFA.
- Cheryl explained Jacky Evans is our new Mercer representative as Ann Denomme from London has left the company. Jacky was our previous representative, but was relocated to Vancouver. Cheryl explained we will be moving our accounts back to the Ottawa office and believes we will receive a better renewal with Jacky as our representative. Cheryl stated we will begin discussions regarding RFP in July. Hilary explained there is discussion regarding a Canadian Drug Plan which would be less expensive than what people are currently paying for drug coverage. Stacie will discuss with Jacky to see what the impact would be for us.
- Cheryl stated we continue to have two senate vacancies on the committee. The Committee Operational Procedures state we require two faculty members at large elected by Senate and two from the Faculty Association. We are having a difficult time filling these positions as no one is volunteering when the call is made at the Senate meetings. Hilary suggested we have two members appointed by NUFA and two faculty members appointed by Senate, but they do not need to be a Senator. Cheryl agreed and will discuss with Harley.

#### Adjournment

Motion to adjourn the meeting at 4:43 p.m.

**Nipissing University**

**PENSION AND BENEFITS ADVISORY  
COMMITTEE MEETING MINUTES  
May 31, 2016**

**Attendance:** Cheryl Sutton, Co-Chair  
Hilary Earl, Faculty Representative  
Dana Murphy, Faculty Representative  
Larry Patriquin, Senate Representative  
Mike Parr, Senate Representative  
Jamie Graham, Administration Representative  
Casey Phillips, Administration Representative  
Pauline Teal, Support Staff Representative  
Kevin Vibe, Support Staff Representative  
Jenny Mackie, Human Resources  
Stacie Thomson, Human Resources  
Carrie Duchesne, Recording Secretary

**Regrets:** No regrets

**Guests:** Jill Taylor-Smith, Eckler

**Call to Order**

Cheryl Sutton called the meeting to order at 1:06 p.m.

**Review and Approval of Minutes from January 11, 2016**

Moved by Pauline Teal and seconded by Jamie Graham that the minutes of the January 11, 2016, Pension and Benefits Advisory Committee meeting be accepted as presented.

**Review of Action Items from January 11, 2016 Meeting**

1. Hilary requested an analysis of our spending on pension costs excluding AVC's and TPP - Cheryl is working on the report and will provide to NUFA.
2. Stacie to discuss the Canadian Drug Plan with Jacky – Jackie did not have any information on the plan, but will follow up with Jackie again.
3. JSPP – Cheryl stated these discussions will be ongoing and will be a regular agenda item.

**Presentation by Jill Taylor Smith:**

Jill highlighted the following in the Executive Summary:

- Jill stated we have added Group RRSP and TFSA to the plan for voluntary contributions. Stacie noted that 10 employees have asked for enrollment forms. Jamie suggested that a reminder be sent out to all employees in October or November. Jackie stated there is a \$25.00 withdrawal fee from the TFSA account.

Jill highlighted the following in regards to Member Engagement:



- Jill stated there were significant withdrawals from the plan in the second half of the year due to restructuring.

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- Jill stated there are six members who have over \$100,000 in GICs. They continue to communicate the availability of additional GIC coverage.
- Jill explained one third of our plan members have a total balance in their RPP plan of over \$100,000.
- Jill explained the semi-annual presentations that are conducted by Standard Life are not well attended as the same members continue to attend each time. The individual sessions tend to be fully booked. Jill stated we could work with Manulife to change up the topics to target a different audience.

Jill highlighted the following in regards to the Transition to Manulife:

- Jill stated the transition of Standard Life's investments only clients was completed in April 2016.
- Jill explained eight Group RRSP clients transferred over last week.
- Jill stated investment fees will not change during the transition, but the interest rate enhancement will be adjusted so the total interest rate is unchanged.
- Jill stated our transition date is scheduled for June 2017, but we do have flexibility with the date. Stacie explained June may not be the best time for the transfer, given that we may be in transition with our benefits provider. Jill stated we will be assigned an Implementation manager to assist with the transfer.
- Jill explained a plan amendment with FSCO will be required after the transition is complete, which can be submitted through the portal.

Jill provided a summary of investments:

- Jill explained the MFS Global Equity Fund was added on April 7, 2016. The Templeton Global Equity Fund was removed as of April 25, 2016 and any assets were mapped to the MFS fund. The change impacted 37 members with a total of \$447,000 in assets.
- Jill explained the Invesco Trimark Global Equity fund was removed from watch and continues to show improvement. We will re-evaluate once we transfer to Manulife as they have better fund options available.
- Jill stated the senior member of the PH&N Fixed Income Team has left the firm, but there are no concerns with the change at this time. They will continue to monitor the fund.
- Jill explained that in September 2015 the SLI and Manulife Asset Management (MAM) merged their index teams. The fixed income funds will be managed by the former SLI team in Montreal and the equity funds will be managed by the MAM team in Toronto.

Jill highlighted the following in regards to the Statement of Investment and Administrative Policies and Procedures:

- Jill stated the SIAP&P was filed with FSCO in February 2016, but will need to be refiled to reflect the recent fund change.

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Jill highlighted the following in regards to the ORPP:

- Jill explained that on January 26, 2016, the government released additional design details. The definition of "employed in Ontario" will include any full-time or part-time work if they report to work at an establishment in Ontario or are paid by an Ontario-based employer.
- Jill stated in February they announced a one year delay in the implementation of ORPP enrollment and contributions. Enrollment will begin in January 2017, and the first stage of contributions will begin in January 2018.
- Jill explained Bill 186, the Ontario Retirement Pension Plan Act was introduced on April 14, 2016.
- Jill stated the Ontario Registered Pension Plan Administration Corp. will begin an education campaign about the ORPP for employers this summer and a verification process for all companies enrolling in it as of January 1, 2017 will begin this fall.
- Jill listed the known details of the ORPP:
  - Target benefit plan
  - Required contributions to ORPP
  - Definition of a comparable plan
  - Group RRSP, DPDP, TFSA will not be comparable
  - Timing of implementation
  - Definition of "employed in Ontario"
  - Benefit to be paid by ORPP
- Concerns were expressed regarding the inability to retire with a defined benefit plan.

Jill highlighted the following in regards to industry trends and developments:

- Jill explained in February 2016 the Federal and Ontario Finance ministers announced they will meet to discuss CPP enhancements. If an agreement is not reached than the Federal government will facilitate the ORPP registration and data sharing through the CPP system.
- Jill explained the TFSA contributions limits have been reduced from \$10,000 to \$5,500 and the eligibility age for Old Age Security returned to age 65.

- Jill stated CAPSA released consultation documents on revisions to its Pension Plan Governance Guideline and Self-Assessment Questionnaire, which proposed changes to Guideline 4 and related self- assessment questionnaire.
- Jill stated Saskatchewan and Nova Scotia have proclaimed Pooled Registered Pension Plans in May 2016.

## **Other Business**

Review of Pension and Benefits Advisory Committee Operational Procedures:

- Jenny explained there will no longer be a Human Resources Committee of the Board of Governors; therefore, all reporting will be to the Audit & Finance Committee. It was decided to change the wording to “will make recommendations for changes to the Board of Governors”.

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- The title University Vice-President, Finance, Administration & Strategic Capital Investments will be changed to Vice-President, Finance & Administration throughout the policy.
- Under membership, it was decided to change “two from the Faculty Association” to “two members from the Faculty Association”.
- Larry suggested the committee vote for approval of the changes as they are minimal. Stacie will make the changes and email the committee with the updated procedures.

**MOTION: Moved by Hilary Earl, seconded by Pauline Teal that the Pension and Benefits Advisory Committee Operational Procedures be approved as amended per the suggestions above.**

- Larry asked whether every five years for a market evaluation is too long. Cheryl feels as though every five years is reasonable as it is a very time consuming and expensive process to go to market. Cheryl explained we will be going to market in January 2017 with a renewal date of May 2017.

Great West Life Renewal:

- Cheryl explained Jacky Evans has returned as our Mercer representative and has done an excellent job with renewal negotiations. Last year we negotiated an increase of 9.2%, but did not increase member contributions, but instead used money we had left over from a Sunlife pooled account. This year we had an additional increase of 5.4%. Cheryl explained that we will use the remaining money in the Sunlife account, but will need to increase employee premiums. Hilary stated that communication should be sent out regarding the increase and reasoning why. Cheryl agreed.
- Pauline suggested that we consider the benefits of a flex benefit plan when we go to market.

JSPP:

- Cheryl explained that discussions are ongoing, but possible changes to solvency relief in Ontario have affected those discussions.
- Jamie explained that there are significant complications with inclusion of a DC into a DB plan.
- Jill explained that the difficulty lies in what date to use for the conversion which will affect investment balances, how do you value and buy past service.
- Cheryl stated she will be meeting with Elizabeth Brown from Hicks and Morley next week and will ask what her thoughts are.

Other:

- Stacie explained that CRA regulations prohibit employees over the age of 71 from participating in a registered pension plan; therefore, we have to make a decision whether we should be contributing to a TFSA or a stipend for those employees. Cheryl and Stacie will consider this further.

### **Adjournment**

Motion to adjourn the meeting at 2:46 p.m.

**Nipissing University**

**PENSION AND BENEFITS ADVISORY  
COMMITTEE MEETING MINUTES  
November 21, 2016**

**Attendance:** Cheryl Sutton, Chair  
Dana Murphy, Senate Representative  
Larry Patriquin, Senate Representative  
Jamie Graham, Administration Representative  
Casey Phillips, Administration Representative  
Pauline Teal, Support Staff Representative  
Jenny Mackie, Human Resources  
Stacie Thomson, Human Resources  
Carrie Duchesne, Recording Secretary

**Regrets:** Hilary Earl, Faculty Representative  
Kevin Vibe, Support Staff Representative  
Darren Campbell, Faculty Representative

**Guests:** Jill Taylor-Smith, Eckler  
Robert Kelley, Manulife  
Stephen McGregor, Manulife (via telephone)  
Jacky Evans, Mercer (via telephone)

**Call to Order**

Cheryl Sutton called the meeting to order at 1:05 p.m.

**Review and Approval of Minutes from May 31, 2016**

Jamie indicated defined benefit on page 3 should read defined contribution, as well as, the word tile should be changed to title on page 4.

Moved by Pauline Teal and seconded by Larry Patriquin that the minutes of the May 31, 2016, Pension and Benefits Advisory Committee meeting be accepted with the above changes.

**Review of Action Items from May 31, 2016 Meeting**

1. Hilary requested an analysis of our spending on pension costs excluding AVC's and TPP – Cheryl provided information to Larry and Hilary. These discussions will be ongoing.
2. Stacie to discuss the Canadian Drug Plan with Jacky – Jacky did not have any information on the plan, but will follow up with Jacky again.
3. JSPP – These discussions will be ongoing and will be a regular agenda item.

**Presentation by Robert Kelley:**

Robert distributed the Committee Review Meeting booklet and highlighted the following regarding the transition from Standard to Manulife:

- Stephen McGregor, Senior Account Executive, Corporate Accounts joined the meeting via telephone. Stephen has been working with Jill from Eckler over the past couple of years with the transition from Standard Life to Manulife.
- Robert stated George Duoma retired at the end of September 2016.
- Robert explained Manulife has changed their strategy for integrating the Group Retirement plans of the former Standard Life. Nipissing will remain on its current administrative system; however, all resources will change throughout 2017 to reflect the Manulife brand. All plan sponsors and plan members will continue to use same processes and login credentials for VIP Room access.
- Robert stated by mid-2017, integration will be complete without disruption of a system conversion.
- Robert explained the following improvements will available over the next few months:
  - An expanded investment platform featuring Manulife funds
  - Enhanced member resources to support plan member financial wellness
  - New retirement planning tools
- Robert explained with the new transfer strategy there will no disruptions to clients (no data or asset transfer and continue to use the VIP Room with same credentials)
- Robert indicated in January 2017 the Manulife funds will be available. Manulife branding on statements, websites, videos, marketing materials and forms will be completed between January and December 2017.

Robert provided a summary of investments:

- Robert noted the total assets in the plan as of September 30, 2016 is \$59.2 million, which is an increase of 8.5% over last year.
- Robert indicated 48% of all assets are in the target date funds.
- Robert noted the average balance out of 442 members is \$133,848, which is an increase of \$11,000 from last year.
- Larry asked if the fund returns for 1, 3, 5 and 10 years could be available on the written statements from Manulife. Cheryl stated we could send the information out to the community via email. Larry prefers the information be located on the statement. Robert will provide the input to Manulife, but in the meantime will provide the University with a PDF version of the information for distribution.
- Robert stated the rate of return from October 1, 2015 to September 30, 2016 is 9.23%.
- Robert explained 39% of our members contacted Standard Life via the VIP Room, contact centre, website, etc.

- Robert noted most of our members have not set a Retirement Goal on the Standard Life website. Cheryl stated lack of participation is a large issue.
- Robert indicated 75% of all members are under the age of 55.
- Robert stated during the one-year period ending November 1, 2016, 21 members became eligible to join the plan.

Robert provided an update on the CPP:

- Robert stated all discussions of an ORPP have shut down and instead there will be enhancements to the CPP. The proposed enhancements include:
  - Increase the annual payout target from about 25% of pre-retirement earnings to 33%.
  - Contributions to CPP from workers and companies will increase by 1% point to 5.95% of wages.
  - Increase to the maximum amount of income subject to CPP by 14%.

**Presentation by Jill Taylor-Smith:**

Jill highlighted the following in regards to plan management:

- Jill stated the SIP&P has been updated to reflect the recent fund change.
- Jill noted George Douma retired at the end of September 2016 with Robert Kelley as the new Client Relationship Manager from Manulife.

Jill highlighted the following in regards to Member Engagement:

- Jill stated the number of plan members has declined since the beginning of the year.
- Jill stated there are seven members who have over \$100,000 in GICs.
- Jill explained one third of our plan members have a total balance in their RPP plan of over \$100,000.
- Jill explained the employee presentations continue to be attended by the same number of employees each time.
- Jill stated the median account size is between \$75,000 and \$99,000 while the average RPP account balance is \$183,000.
- Jill noted there are no assets in the Tax Free Savings Account.

- Jamie asked how many employees are eligible that are not participating in the pension plan. Stacie answered around 50 employees. Pauline suggested it may be helpful if the information come from another source (i.e. NUFA general membership meetings) instead of Human Resources. Stacie indicated employees who are eligible are contacted every three months for the first year then annually.

Jill highlighted the following in regards to the Transition to Manulife:

- Jill stated all transitions that were scheduled from now until January 2017 have been cancelled due to Manulife's revised integration plan.

Jill provided a summary of investments:

- Jill explained at the January 11<sup>th</sup> meeting the committee approved the removal of the Templeton Global Equity Fund and mapping the assets to the MFS Global Growth Fund. The Templeton Growth Fund was removed as of April 25, 2016. On April 14<sup>th</sup> the Nipissing community was informed that "effective April 25, 2016, the Templeton Global Equity Fund will be discontinued and will be replaced with the MFS Global Equity Fund". The assets were mapped to the MFS Global Equity Fund whose underlying fund is the MFS Global Research Fund, not the MFS Global Growth Fund. Cheryl explained what was communicated to the community was correct, however, what was approved at the January meeting was not completed. Since the fund change, the MFS Global Equity Fund has outperformed the MFS Global Growth Fund. The change impacted 37 members with a total of \$447,000 in assets.
- Casey expressed concerns regarding potential liability to the University. Casey stated what was asked of Mercer was not followed. Jill understands Casey's concern and apologized for the error.

**Motion #2016 - 02: The Pension and Benefits Advisory Committee recommend that the funds transferred into MFS Global Equity Fund remain there as communicated with all plans members.**

**All committee members were in favour Motion #2016 - 02 via email on November 24, 2016.**

- Jill explained that BlackRock implemented changes to its glide path. The changes includes an increase in equity allocation for some longer-dated funds and the removal of the discrete allocation to long duration bonds.
- Jill stated beginning with the LifePath 2020 fund, the rollover of the maturing LifePath funds to the LifePath Retirement Fund would be delayed by five years.
- Jill noted all investment option are performing well for the most part. The PH&N Bond Fund has been placed on watch as a result of a new portfolio manager, but should be removed from watch by the next reporting.

Jill highlighted the following in regards to the CPP Enhancements:

- Jill explained Ontario indicated it will abandon the ORPP.



- Jill indicated the federal government introduced a Notice of Ways and Means Motion to amend the Income Tax Act (ITA) to make additional CPP contributions tax deductible and to increase the Working Income Tax Benefit.
- Jill stated in October 2016, the federal government introduced Bill C-26, An Act to Amend the Canada Pension Plan, the Canada Pension Investment Board and the ITA.

**Presentation by Jacky Evans:**

Jacky highlighted the following regarding the group benefit plan:

- Jacky noted the benefit plan was last marketed in 2009. Following the market review, GWL was selected as the carrier effective February 1, 2010. The marketing resulted in premium reductions and savings in expense and pool charges.
- Cheryl explained there has been significant spikes in costs and there is a concern that going to market could result in higher premiums and exclusions in the plan.
- Jacky outlined the pros and cons of going to market.
- The top five group insurance providers are Sun Life Financial, Great West Life Assurance Company, Manulife Financial, Desjardins Financial and SSQ Financial.
- Jacky explained the objectives of going to market would be to receive plan design enhancements, financial savings, improved service, drug plan management solutions, health and wellness resources, etc.
- Jacky provided a summary of the May 1, 2016 renewal with Great West Life. Great West Life proposed a 24.2% increase in rates and Mercer was able to negotiate a 5.2% increase.
- Jacky provided a summary of the experience for the period of February 1, 2016 to September 30, 2016. The claims paid have exceeded the premiums paid by 103.5%. This is problematic as it will result in a large increase in rates at the next renewal.
- Jacky stated given the current experience and high claims, insurers may not quote if we were to go to market at this time.
- Jacky indicated it would be an advantage to delay going to market for a year as it would allow for premium rates to become accurate to our experience and some of the current high drug claims will be completed, which would make us more marketable.

**Motion #2016-04: The Pension and Benefits Advisory Committee recommend that we delay going out to tender for the group benefit plan until January 2018.**

**All committee members were in favour of Motion #2016 - 04 via email on November 24, 2016.**

### **Other Business**

Transition from Standard Life to Manulife:

- Cheryl asked Jill her thoughts on the transition as it has taken longer than expected. Jill explained Manulife informally announced at the end of September that all transitions will be stopped and they hired a management group to develop a new timeline. A transition timeline should be announced in January.
- Jill stated we can transition at any time, but there are pros and cons. If we transition now all employees would be provided with new IDs and passwords, which could improve engagement in the plan. Some cons include loss of historical data, very time consuming for administration and GICs would be affected (redeemed and repurchased).
- It was decided to wait to make a decision regarding the transition until January when the timeline is finalized by Manulife.

CAAT Pension Plan:

- Cheryl indicated a copy of the presentation by CAAT was provided to the committee.
- Cheryl stated more analysis is required to determine the actual cost to the employee and employer before a recommendation can be provided to the Board.
- Cheryl explained in order to determine costs we will need to request the services of Mercer in order to gather information from Standard Life.

**Motion #2016 – 03: The Pension and Benefits Advisory Committee recommend that Jill from Eckler assist with the cost analysis of the University moving to a defined benefit pension plan, contingent on Eckler providing a reasonable quote and available budget.**

**All committee members were in favour of Motion #2016 - 03 via email on November 24, 2016.**

- Pauline stated presentations will need to be made to support staff and administration prior to approval.
- Jamie indicated there may be some challenges with conversion to a defined benefit plan (i.e. contributions for 23 years, but only receiving 16 years of service).
- Larry indicated he wrote two articles in regards to DB plans. Cheryl stated a copy of the articles will be provided to the committee via email.

JSPP:

- Cheryl stated the JSPP Steering Committee received additional funding; therefore they continue to work on the plan.
- Larry explained a decision will be made in December whether they will continue with the plan.

- Cheryl stated she will be meeting with Elizabeth Brown from Hicks/Morley next week and ask for an update.

**Adjournment**

Motion to adjourn the meeting at 4:44 p.m.

