



**PUBLIC SERVICE PENSION BOARD OF TRUSTEES
MEETING HIGHLIGHTS**

December 16 and 17, 2019
Victoria, British Columbia

The Meeting Highlights is a summary of issues that were considered, or decisions that were made, by the Public Service Pension Board of Trustees [Board] at its latest meeting.

Please note that the official Board Minutes record the business conducted by the Public Service Pension Board of Trustees and their decisions. If there are any discrepancies between the Meeting Highlights and the official Board Minutes, the official Board Minutes shall govern. Disclosure of any documents referred to in the Meeting Highlights or the official Board Minutes is subject to applicable Board policy and the *Freedom of Information and Protection of Privacy Act*.

Pension Board Matters

Trustee Appointments

The following trustees were reappointed to the Public Service Pension Board of Trustees, each for a three-year term from April 1, 2020 to March 31, 2023: Doug Dykens, Chan-Seng Lee, Maria Middlemiss and Angie Sorrell. [Short biographies](#) of the Board members are available on the plan website.

Inflation Adjustments to pensions in pay

The Board approved a 1.9% increase to pensions in pay beginning January 1, 2020. The inflation adjustment is based on the percentage change in the average Consumer Price Index for the past 12 month periods ending October 31. Inflation adjustments are not guaranteed and are subject to available funding. Once granted, they become part of the basic, guaranteed benefit. The plan website has more information about the [inflation adjustments](#) under the Public Service Pension Plan.

Trustee Remuneration

Trustees are remunerated for their time spent carrying out Board business. Trustees receive this remuneration directly if they are not receiving remuneration from any other source and may, if they are receiving remuneration from an organization, direct that the payment be made to the organization. Trustee remuneration is reported in the [Public Service Pension Plan Annual Report](#).

The Board’s remuneration policy provides for an annual adjustment equal to the inflation adjustment to pensions in pay, which is 1.9% for 2020. The trustee remuneration rates effective January 1, 2020 are shown below:

Trustee Remuneration

	2019	2020
Annual Retainers (\$ per year)		
Board Member <i>(except Board Chair, Vice Chair or Committee Chair)</i>	\$5,328	\$5,428
Board Chair	\$15,984	\$16,288
Vice Chair	\$10,656	\$10,860
Committee Chair	\$5,328 plus \$2,132 per committee, to a maximum of \$9,592*	\$5,428 plus \$2,172 per committee, to a maximum of \$9,772*
Travel Retainer**	\$1,068	\$1,088
Meeting Fee (\$ per day)	\$421	\$428

* For committees scheduled to meet at least 3 times per year

**For trustees who regularly travel 4 or more hours, one way, to attend meetings

Reports from Service Providers

Administration services are provided by the BC Pension Corporation and investment management services are provided by the BC Investment Management Corporation [BCI]. The provider of post-retirement group health and dental benefits administration is Green Shield Canada [GSC].

A. Plan Administration – Report from the Pension Corporation

The Board received a report from the Pension Corporation including service volumes, service experience feedback and a financial summary for the six months ended September 30, 2019. The Board also received a report on the Pension Corporation’s proposed changes to the methodology for allocating costs between the pension plans.

B. Plan Investment – Report from BCI

The Board received performance, strategy and operational reports from BCI. The Board also completed its triennial asset/liability review and agreed on an asset mix management framework, including target allocations, ranges, benchmarks and transition schedule. The Board also approved related changes to its [Statement of Investment Policies and Procedures](#) to implement the asset mix decisions.

The one-year rate of return for the total pension fund as at September 30, 2019 was 6.9% compared to the benchmark of 5.5%. The five-year annualized return was 8.4% and the ten-year annualized return was 9.0% compared to the benchmarks of 7.4% and 7.8% respectively. The 20 year annualized return for the total pension fund was 7.3%. The market value of the fund at September 30, 2019 was \$33.85 Billion.

C. Post-retirement Group Health and Dental – Report from GSC

In the quarter, the Board approved the renewal rates for the extended health care (EHC) and dental plans available to retired plan members. The rates are effective February 1, 2020 and are published in the Winter edition of the [Pension Life](#) retired members newsletter.

Committee Reports

A. Audit Committee

The Board appointed KPMG as its auditors to conduct the audit of the Public Service Pension Plan financial statements for the year ending March 31, 2020 and approved the audit fees.

B. Benefits Committee

The Board approved two employer withdrawal applications and three new employer applications. The two withdrawals are Mainroad Pavement Marking Ltd. and VSA Highway Maintenance Ltd. The new employers are Alliance Facilities Solutions Inc. and the Real Estate Council of BC.

The Board approved Plan Rule Amendment No. 52. The amendment is to clarify temporary annuity pension options, reflect changes to the *Employment Standards Act* and make housekeeping updates.

Committees of the Board do not have the authority to make decisions unless such authority is explicitly delegated to the committee. At this meeting, the Board agreed to delegate new employer application and post-retirement group benefit rate

renewal decisions to the Committee. The change was made to avoid delays in implementing time-sensitive decisions.

C. Communications Committee

Tiffany Ma and Angie Sorrell were appointed as members of the Communications Committee. Doug Dykens has stepped down from the Committee.

The Board approved revisions to the Communication Policy to clarify the criteria for sharing Board information with different audiences.

D. Executive Committee

The Board approved the expenditure, to be shared equally by the College, Public Service and Teachers' Pension Boards of Trustees, for a video conferencing system in the boardroom.

E. Governance Committee

The Board approved updates to some of its operational policies. Many of the Board's [operational policies](#) are available for review on the plan website.

The *Pension Benefit Standards Act* and regulations (PBSA) require that the Board maintain a written governance policy on the structures and processes for overseeing, managing and administering the pension plan. At this meeting, the Board approved the updated [Governance Policy](#).

The PBSA also requires the Board to undertake a comprehensive review of the administration of the plan at least every three years, and write a report on the review. At this meeting, the Board approved the report of the administration of the plan for the period January 1, 2017 to December 31, 2019. The Board also approved housekeeping amendments to the Governance Committee mandate.

The Board approved a revised Board Capacity Matrix. The tool is used as part of the Board's governance self-assessment processes and is used to identify gaps in the capacity of the Board as a whole.

F. Investment Committee

The Board approved consolidating some investment funds, and approved some amendments to BCI's performance report. The Board also approved participation in a new pooled investment fund to facilitate increased use of leverage in the portfolio.

G. Trustee Education Committee

The Board's Trustee Education Policy provides support for trustees to participate in external conferences and courses to develop the skills required to execute their responsibilities with respect to the pension plan. During this quarter, the Board authorized the Committee to explore the development of an in-house trustee education curriculum.

H. Other Committees – No issues.

Website

The [Public Service Pension Plan website](#) contains valuable information about the Plan. You can find many of the Board's governance documents and operational policies in the website under [About us > Who we are > Public Service Pension Plan](#). The web content is updated regularly.

Future Board Meetings

The next regularly scheduled quarterly meeting of the Public Service Pension Board of Trustees will take place on March 12 and 13, 2020 in Victoria.

Please direct any questions or comments about this document to:

Public Service Pension Board of Trustees

By phone 250 387-8200
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For general questions about the Public Service Pension Plan, or about your pension, please contact the **BC Pension Corporation**:

By phone Victoria: 250 953-3033
Toll-free in Canada and the U.S.: 1 800 665-3554
By fax 250 953-0425