

PUBLIC SERVICE PENSION BOARD OF TRUSTEES
MEETING HIGHLIGHTS

December 9 and 10, 2021
Victoria, British Columbia
By video conference

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 re-appointed to the Public Service Pension Board of Trustees, each for a three-year term from April 1, 2022 to March 31, 2025: Alyson Blackstock, Wanda Boden and Paul Finch. Lawrence Johnson will retire from the Board at the end of his term and Johanna Morrow will replace him for a three-year term starting April 1, 2022

The Board appoints two of its members as directors of the Pension Corporation, on nomination from the Plan Partners. Harpinder Sandhu was reappointed as a director of the Pension Corporation for a term from April 1, 2022 to March 31, 2025.

The Board appoints one of its members as a director of the BC Investment Management Corporation (BCI). The Board reappointed Paul Finch as a director of BCI for a term from April 1, 2022 to March 31, 2025.

[Short biographies](#) of all the Board members are available on the plan website.

Surplus Allocation

In the quarter, the Board announced its decisions for the allocation of the surplus identified in the 2020 actuarial valuation of the plan. Some surplus will be allocated to increase the

pension accrual rate from 1.85 per cent to 1.95 percent of salary starting April 1, 2022. Full details are available on the [plan website](#).

At its December 9 and 10, 2021 meeting, the Board confirmed that the accrual rate change will also apply to the three statutory officers in the plan (Chief Electoral Officer, Ombudsperson and Information and Privacy Commissioner).

Inflation Adjustments to pensions in pay

The Board approved a 2.7 per cent increase to pensions in pay beginning January 1, 2022 as an inflation adjustment. Inflation adjustments are not guaranteed and are subject to available funding. Once approved, they become part of the basic, guaranteed benefit.

The inflation adjustment is based on the annual average index, the same method used by the Canada Pension Plan. This method measures the average change in CPI over the preceding 12-month period ending October 31. Other BC public sector pension plans calculate the inflation adjustment based on the change in CPI in one month (rather than the average) and may provide different inflation adjustments than the Public Service Pension Plan in any given year. While the different methods of calculating inflation adjustments yield similar long-term results, the annual average index method also reduces volatility. Please see the website for more information about the [inflation adjustments](#) under the Public Service Pension Plan.

Appointment of Actuary

The Board reappointed Eckler Ltd. as the Plan Actuary in accordance with s. 10.1 of the Joint Trust Agreement for the next term.

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 an increase of 2.7 per cent for 2022. The trustee remuneration rates effective January 1, 2022 are shown below:

Trustee Remuneration

	2021	Eff. Jan 1, 2022
Annual Retainers (\$ per year)		
Board Member <i>(except Board Chair, Vice Chair or Committee Chair)</i>	\$5,484	\$5,632
Board Chair	\$16,452	\$16,896
Vice Chair	\$10,968	\$11,264
Committee Chair*	\$5,484 plus \$2,196 per committee, to a maximum of \$9,876	\$5,632 plus \$2,256 per committee, to a maximum of \$10,144
Travel Retainer**	\$1,100	\$1,128
Meeting Fee (\$ per day)	\$432	\$444

* 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. Payment of the travel retainer has been suspended due to virtual meetings since March 2020.

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 an update on the operational implications of COVID-19, service activity and volumes, service experience feedback, a financial summary for the six months ended September 30, 2021.

B. Plan Investment – Report from BCI

The Board takes action directly or through BCI to steer the entities in which the pension fund is invested toward aligning with its beliefs. The Board’s [responsible investing beliefs and objectives](#) are summarized on the plan website and incorporated in the [Statement of Investment Policies and Procedures](#).

The Board received a report on the active ownership activities undertaken by BCI on behalf of the Board, including engagement with companies on environmental, social and governance issues, climate change initiatives and proxy voting.

The Board received performance, strategy and operational reports from BCI. The one-year rate of return for the total pension fund as at September 30, 2021 was 15.7 % compared to the benchmark of 11.2%. The five-year annualized return was 9.9 % and the ten-year annualized return was 10.3 % compared to the benchmarks of 8.7% and 9.1% respectively. The 15-year annualized return for the total pension fund was 8% compared to a benchmark of 7.1%. The market value of the fund at September 30, 2021 was \$41.37 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 for both the dental and EHC plan will remain unchanged from the previous period. Details on the EHC and dental rates for members and their dependents are published in the Winter 2022 edition of the [Pension Life](#) retired members newsletter.

Committee Reports

A. Audit Committee – No report.

B. Benefits Committee

The Board agreed to collect data about union and employer affiliation to support the Plan Partners (BCGEU and the province) in their consideration of the plan governance structure.

The Board approved Plan Rule Amendment No. 56. The amendment clarifies that *Canada Labour Code* leaves of absence provisions apply for federally regulated employers in the plan.

The Board approved amendments to its Terms and Conditions of New Employer Eligibility to clarify the plan's exemption from the federal *Pension Benefits Standards Act* and clarify eligibility criteria for public sector entities versus private sector employers performing public sector work.

The Board approved Green Shield Canada sending direct emails to plan members for certain "need to know" information of extended health and dental plan members.

In the quarter, the Board undertook an evaluation of the services of its extended health and dental plan service providers and provided feedback.

C. Communications Committee

The Board approved communications about changes to the extended health care plan effective January 1, 2022. Details about the [extended health care plan changes](#) are available on the plan website.

D. Governance Committee

The Board updated its policies and procedures related to risk, succession planning, trustee education, equipment expenses and secretariat service standards. Many of the Board's [operational policies](#) are available to view on the plan website.

E. Investment Committee

The Board approved the annual funding request for the Investment Committee to engage professional resources to assist in executing its mandate.

F. Responsible Investment Committee

The Board approved a change to the Responsible Investment Committee's mandate. The Committee is now authorized to exercise PRI votes; manage PRI and other RI relationships and provide feedback to PRI and other RI related organizations as needed, on behalf of the Board.

G. 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 8 and 9, 2021 in Victoria.

Please direct any questions or comments about this document to:

Public Service Pension Board of Trustees

By phone 250 387-8200
By fax 250 387-4199
By email pspbt@pensionsbc.ca

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