



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

January 30, 2018 and March 6 and 7, 2018
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 the latest board 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

Partners' Agreement

The Board agreed to accept and implement the *Public Service Pension Plan Partners' Plan Re-Design Agreement* dated January 24, 2018.

The Board approved the contribution rate to the basic account of 14.20%, to be split equally between plan members and plan employers, effective April 1, 2018. The flat rate does not include member and employer contributions to the inflation adjustment account, which remain at 1.25% and 2.75%, respectively. Total contribution rates effective April 1, 2018 will be 9.85% of salary (plan employers) and 8.35% of salary (plan members).

The Board approved Plan Rule Amendment No. 41, effective retroactive to April 1, 2018, to implement the prospective and retroactive plan design changes entailed by the January 24, 2018 Partners Agreement.

For details on the plan design and contribution rate changes, see the [Board Communiqué](#) available on the plan website.

Board Budget

The Board approved the trust fund expenditure of up to \$1,384,626 for Board expenses, Pension Board Secretariat operating costs and consulting and other costs for the year from April 1, 2018 to March 31, 2019.

Trustee Out-of-country Event Requests

The Board approved the trust fund expenditure required to pay the cost for Harp Sandhu to attend the PRI Responsible Investment Conference on September 12 to 14, 2018 in San Francisco.

The Board approved the trust fund expenditure required to pay the cost for any trustee who wishes to attend the IFEBP Benefit Communication and Technology Institute on July 23 and 24, 2018 in Portland, Oregon.

The Board approved the trust fund expenditure of up to \$8,600, inclusive of travel costs, towards the cost for Paul Finch to attend the ICD-Rotman Director Education Program, with Paul Finch's 2018 education spending allotment to be applied toward the cost.

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 [bcIMC]. 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 approved the service cost allocation of \$16,536,000 for the administration of the Public Service Pension Plan for the period April 1, 2018 to March 31, 2019, plus up to a one percent variance tolerance of \$165,000 and net GST of \$551,000 for a total of \$17,252,000.

The Board approved a revised Administration Services Agreement with the Pension Corporation and Service Delivery Plan for the three-year period 2018 to 2021.

B. Plan Investment – Report from bcIMC

The Board approved the investment management fees of up to \$97,600,000 for the period April 1, 2018 to March 31, 2019.

The one-year rate of return for the total pension fund as at December 31, 2017 was 9.0%; the five-year annualized return was 10.1% and the ten-year annualized return was 7.0% compared with the benchmarks of 10.8%, 9.5% and 6.7% respectively. The 25 year annualized return for the total pension fund was 8.1% compared to the benchmark of 7.8%.

Committee Reports

A. Audit Committee

The Board approved the engagement letter with KPMG and bcIMC, and fees of \$7,811, for the triennial audit of the schedule of annual performance returns for the year ended March 31, 2018.

The Board approved the amendments to the Interplan Audit Committee Mandate and Terms of Reference.

B. Benefits Committee

Plan Rule Amendment No. 40 was approved retroactive to April 1, 2017. Amendment No. 40 gives the board full discretion to transfer excess investment returns from the basic account to the IAA, rather than an automatic transfer as occurred previously.

C. Communications Committee

The Board approved the communications plan and materials related to the plan design changes in the quarter. For more information on the plan design changes, see the plan website.

D. Governance Committee

Johanna Morrow and Maria Middlemiss were appointed as members of the Governance Committee.

E. Investment Committee

The Board approved participation in two new funds at bcIMC – the Corporate Bond Fund and Principal Credit Fund.

The Board also approved changes to its asset allocation and Statement of Investment Policies and Procedures.

F. Trustee Education Committee – No issues.

G. Other Committees – No issues.

New Website

A redesigned plan website was launched in 2017. Among other things, the new website provides members with the ability to complete certain tasks online (i.e.: nominate a beneficiary, change an address, make a pension estimate or retire), and provides improved search functionality.

Another new feature on the website is the executive director blog, [BOOM!](#) You can find BOOM! and many of the board's governance policies and documents in the [About us](#) section (policies are under About us > Who we are > Public Service Pension Plan). The web content is updated regularly and we encourage you to visit the website to learn more.

Future Board Meetings

The next regularly scheduled quarterly meeting of the Public Service Pension Board of Trustees will take place on June 12 and 13, 2018 in Victoria.

This document is a report of the
Public Service Pension Board of Trustees

**Please direct any questions or comments about this document to:
Public Service Pension Board of Trustees**

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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
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