



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

September 8 and 9, 2021
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 meetings. The September 8 and 9, 2021 meeting was held by video conference.

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

The Board announced changes to the extended health care plan available to retired members of the Public Service Pension Plan in the quarter. The changes are described in a [Board Communiqué](#) on the Plan website. Additional information and support for members to transition to the new extended health care plan will be provided on the website in the coming months.

The Public Service Pension Board of Trustees is an asset owner signatory to the UN-supported Principles for Responsible Investment (PRI). The Board has been represented on the Western North America Advisory Committee to the PRI (WNA PRI) by trustee Harp Sandhu. This quarter, the Board agreed that trustee Angie Sorrell will replace Harp Sandhu as its representative on the WNA PRI. Harp Sandhu will remain on the WNA PRI as a representative of the Municipal Pension Board of Trustees. Details on the Board's membership in the PRI are provided on the Plan website here: [Responsible investing - Public Service - Public Service](#) .

The Board approved the withdrawal of GAEA Management Ltd. and Themis Program Management and Consulting Ltd. from participation in the Public Service Pension Plan retroactive to 2020.

The Board designated the Association of BC Forest Professionals as a Plan employer effective December 1, 2021.

The Board designated Yellowhead Road and Bridge (Nicola) Ltd. as a Plan employer effective retroactive to July 1, 2019.

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 reports on the Pension Corporation’s Enterprise Risk Management program and Information Technology strategy.

The Board received a report on the Inflation Adjustment Account (IAA) sensitivity model, updated to reflect the actuarial valuation as at March 31, 2020. The IAA sensitivity model provides an indication of the sustainability of the IAA and is reviewed by the Board in addition to the Plan actuary’s analysis. Both the IAA model and the actuary’s analysis indicate that the IAA will be able to fund full Consumer Price Index (CPI) pension adjustments over the long term. The strength of the IAA is attributed to low inflation; an increase in active, contributing members; a reduction in the actuarial assumed inflation rate and exceptional investment returns.

The Board received a report on the Pension Corporation’s initiatives related to the risks identified in the Board’s Strategic and Risk Management Framework. The Board also received the financial report summary for the three months ended June 30, 2021 and the proportion of available post-retirement group benefit funding used in the three months ended June 30, 2021.

B. Plan Investment – Report from BCI

The Board received reports on BCI’s Enterprise Risk Management program and Information Technology strategy.

The Board received reports on risk and strategy and BCI’s key performance indicators.

The preliminary rate of return for the total pension fund for one year to June 30, 2021 was 16.6 per cent compared to the benchmark return of 14.7 per cent. The five year annualized return was 10.2 per cent, compared to the benchmark return of 9.4 per cent and the 10 year annualized return was 9.7 per cent compared to a benchmark of 8.5 per cent.

Committee Reports

A. Audit Committee

The Board approved the Financial Statements of the Public Service Pension Plan for the year ended March 31, 2021. Information about the Financial Statements is distributed to active plan members in the Report to Members and to retired plan members in the winter edition of the *Pension Life* newsletter. The full Financial Statements will be available in the 2021 Annual Report, which will be posted on the Plan website in November here: [Reports - Public Service - Public Service](#).

The Board appointed KPMG as its auditor to conduct the 2022 audit of the Public Service Pension Plan and approved the audit fees.

The Board approved the Audit Committee's annual request for funding for professional and other expert resources and Committee education. The cost of the request is shared equally between the College, Municipal, Public Service and Teachers' Pension Boards of Trustees.

The Board ratified the appointment of Carl Fischer, an appointee of the College Pension Board of Trustees, as a member of the Audit Committee.

B. Benefits Committee – No report.

C. Communications Committee

The Board approved the Public Service Pension Plan Annual Report for the year ended March 31, 2021. The Annual Report with Financial Statements will be available on the Plan website at [Reports - Public Service - Public Service](#) in November.

D. Governance Committee – No report.

E. Investment Committee – No report.

F. Responsible Investment (RI) Committee

In the quarter, the Board finalized its Responsible Investment (RI) Beliefs and Objectives. A one-page summary will be posted on the website shortly. The summary presents the Boards beliefs and objectives within six RI categories: strong corporate governance; strong environmental stewardship; active ownership; policy advocacy; transparency and disclosure and responsible treatment of workers and communities.

The Board approved revisions to the *Statement of Investment Policies and Procedures* to incorporate its RI beliefs and objectives and ensure they are part of investment decision-making.

The Board approved revisions to its *Guidelines for Joining Investor Collaborations*. The revisions reflect the Board's RI beliefs and objectives and intention to track the results of any investor collaborations that the Board joins. The guidelines also require an annual review of the list of focus areas; for example, climate change and water management.

G. Trustee Education Committee – No report.

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 December 9 and 10, 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