

PUBLIC SERVICE PENSION BOARD OF TRUSTEES
MEETING HIGHLIGHTS

December 5 and 6, 2016
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

Trustee Appointments

The appointments of John Mazure and Brian Schramm to the Board were renewed. These appointments are for terms starting April 1, 2017 and ending March 31, 2020. Maria Middlemiss was also appointed to the Board for a term from April 1, 2017 to March 31, 2020, replacing Lori Joaquin, who is retiring. There is currently a vacancy on the Board due to the departure of Christine Sorensen effective November 17, 2016. For a list of trustees please see the [Plan Governance](#) section of the Public Service Pension Plan website.

Inflation Adjustments to pensions in pay

The Board approved a 1.4 percent increase to pensions in pay beginning January 1, 2017. The inflation adjustment is based on the percentage change in the average CPI for the 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. For the history of cost of living adjustments granted under the Public Service Pension Plan, see the [Inflation Adjustment History](#) on the website.

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 1.4 percent for 2017. The remuneration rates effective January 1, 2017 are shown below:

Trustee Remuneration

	2017
Annual Retainers (\$ per year)	
Board Member	\$5,132
Board Chair	\$15,392
Vice Chair	\$10,260
Committee Chair	\$5,132 plus \$2,052 per committee to a maximum \$9,236*
Travel Retainer**	\$1,028
Meeting Fee (\$ per meeting)	\$406

* 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 [bcIMC]. Post-retirement group benefits administration services are provided by Pacific Blue Cross [PBC].

A. Plan Administration – Report from the Pension Corporation

The Board received a report from the Pension Corporation including service level activity, financial summary, forecasts of post-retirement group benefit costs and the Pension Corporation's recognition by Excellence Canada as one of the best-managed organizations in Canada. The current Pension Corporation [service delivery plan](#) is available on the plan website.

B. Plan Investment – Report from bcIMC

The one-year rate of return for the total pension fund as at September 30, 2016 was 8.4%; the five-year annualized return was 10.7% and the ten-year annualized return was 7.0% compared with the benchmarks of 9.0%; 9.4% and 6.4% respectively. The 25 year annualized return for the total pension fund was 8.7% compared to the benchmark of 8.3%.

C. Post-Retirement Group Benefits Administration – Reports from Pacific Blue Cross

The Board receives regular call centre and service performance reports from Pacific Blue Cross (PBC), for the extended health and dental plans for retired members of the Public Service Pension Plan.

Committee Reports

A. Audit Committee

The Board approved revisions to the Interplan Audit Committee Mandate and Terms of Reference, effective January 1, 2017.

B. Benefits Committee

The Board approved an application from the BC Medical Association to join the plan effective January 1, 2017.

The Board approved a request by the BC Emergency Health Services (EHS) to grandparent certain employees in the Public Service Pension Plan. This means that the plan will continue to apply to existing CUPE 873 employees who move directly to non-union positions with EHS, provided they were EHS employees and active members of the plan on October 10, 2014.

Housekeeping amendments to the commuted value calculation methodology were approved, effective September 30, 2015. The revisions are mainly to update references to the Canadian Institute of Actuaries' standards of practice for pension plans and new *Pension Benefits Standards Act*.

C. Communications Committee

The Board approved the communications strategy for the period 2017 to 2021. Updates to the Communications Policy were also approved.

D. Governance Committee

The Board approved updates to the Roles and Responsibilities policies for the Chair and Vice Chair.

The Board approved revisions to the *Governance Principles Review*. The revisions mainly update the document to reflect the change in group health benefits carrier.

E. Investment Committee – No issues.

F. Trustee Education Committee – No report.

G. Other Committees – No issues.

Website

The [Public Service Pension Plan website](#) contains valuable information about the Plan. During the quarter, the new or updated items published on the website include the following:

1. [PensionFacts: Increase your future pension benefit: Purchase non-contributory service](#)
2. [Employer newsletter \(October\)](#)
3. Investment Information
 - a. [Quarterly Performance Report](#)
 - b. [Quarterly Economic Report](#)
 - c. [Responsible Investing Newsletter](#)

The [StraightTalk](#) website provides the facts about the sustainability, cost-effectiveness, fairness and value of the Plan. To view, please go to pspp.straighttalk.pensionsbc.ca

Future Board Meetings

The next regularly scheduled quarterly meeting of the Public Service Pension Board of Trustees will take place on March 7 and 8, 2017 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

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 US 1-800-665-3554
By fax	250-953-0425