



PUBLIC SERVICE PENSION BOARD OF TRUSTEES MEETING HIGHLIGHTS

March 7 and 8, 2017
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

Trustees are appointed in accordance with the provisions of the [Public Service Pension Plan Joint Trust Agreement](#) for three-year terms. Trustees are eligible for re-appointment for successive terms. There are up to fifteen trustees. Thirteen trustees are appointed by the Plan Partners and one trustee is appointed by the B.C. Government Retired Employees' Association. For a list of trustees see Plan Governance on the Public Service Pension Plan website at pspp.pensionsbc.ca.

Troy Clifford was appointed as trustee by the BCGEU in the quarter, for a term commencing on February 23, 2017 and ending on March 31, 2019, to complete the term of a departing trustee.

Chair and Vice Chair Appointments

The trustees appoint the Chair and Vice Chair from among themselves, or they can appoint an additional trustee to be designated as the Chair. The Board re-appointed David Vipond as Chair of the Board for the period from April 1, 2017 to March 31, 2020 and re-appointed Ron McEachern as Vice Chair of the Board for the period from April 1, 2017 to March 31, 2019.

Appointment of Actuary and Fees

The Board appointed Richard Border of Eckler Ltd. as the plan actuary for the valuation of the Public Service Pension Plan as at March 31, 2017, and set the fee. The Board approved

additional fees for the actuary to perform the valuations of special groups as at March 31, 2017.

Board Budget

The Board approved a trust fund expenditure of up to \$1,337,980 for Board expenses, Pension Board Secretariat operating costs, and consulting and other costs for the year April 1, 2017 to March 31, 2018.

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]. Effective April 1, 2017, the provider of post-retirement group health and dental benefits administration services was changed from Pacific Blue Cross [PBC] to Green Shield Canada [GSC].

A. Plan Administration – Report from the Pension Corporation

The Board approved a cost allocation of \$15,990,000 for administration of the Public Service Pension Plan for the period April 1, 2017 to March 31, 2018, plus up to a one percent variance tolerance of \$160,000 and net GST of \$533,000 for a total of \$16,683,000.

The Board received a report on the service delivery plan, the transition from Pacific Blue Cross to Green Shield Canada for post-retirement group benefits, and a financial report summary for the nine months ended December 31, 2016.

B. Plan Investment – Report from bcIMC

The rate of return for the total pension fund for the nine month period ending December 31, 2016 was 7.2 percent; the one year return was 4.4 percent and the five year annualized return was 10.1 percent, compared with the benchmarks of 7.8, 6.6 and 9.0 percent respectively.

The pension fund's [investment performance report](#) and [quarterly economic report](#) are posted on the Public Service Pension Plan Website at pspp.pensionsbc.ca. To view the reports, go to "[Investment Info](#)" on the left navigation bar.

C. Post-Retirement Group Benefits Administration

The Board received call centre reports from PBC for the extended health care and dental plans for retired members of the Public Service Pension Plan.

Committee Reports

A. Audit Committee – No issues.

B. Benefits Committee

The Board approved that, effective December 16, 2016, the Public Service Pension Plan continue to apply to the two named employees of the Provincial Health Services Authority who transferred from BC Emergency Health Services, with conditions.

The Board approved the Benefit Amendment, Write-off, Settlement and Collection Policy. The policy replaces two 2001 policies on the matter.

The Board approved revisions to the Funding Policy to continue the current practice of providing full CPI increases each year, provided there are sufficient funds to cover the cost of the increase, until April 1, 2018.

C. Communications Committee – No issues.

D. Governance Committee

The Board approved the Review of the Public Service Pension Plan for the period September 30, 2015 to December 31, 2016. The review is a requirement of the *Pension Benefits Standards Act*.

The Board approved a revised Governance Policy. The revisions mainly update references to the extended health and dental benefits carrier and add a three-year review requirement. Board policies may be viewed on the plan website at pspp.pensionsbc.ca.

E. Investment Committee

The Board approved amendments to the Statement of Investment Policies and Procedures [SIPP] to allow for participation in bcIMC's Canadian Quantitative Active Equity Fund and Global Quantitative Active Equity Fund. The new funds may employ derivatives to manage risks and exposures, including taking short positions on over-valued securities. The revised SIPP is available on the plan website at pspp.pensionsbc.ca under "[Investment Info.](#)"

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. [2016 Annual Report](#)
2. [2017 Pension workshops and eLearning modules](#)
3. [Investment Information](#)

- a. [Quarterly Performance Report](#)
- b. [Quarterly Economic Report](#)
- c. [Responsible Investing Newsletter](#)
4. [Inflation Adjustment History](#)
5. [Board Communique: Your health and dental benefits provider is changing](#)
6. [Board Communique: Upcoming changes to your extended health and dental insurance rates and carrier](#)
7. [PensionFacts: Disability Benefits](#)
8. [Pension Facts: Increase your future pension benefit: Purchase non-contributory service](#)
9. [Retirement Health Benefit Premiums](#)
10. [Retired Member FAQ](#)
11. [Employer Financial Statement Guidelines](#)
12. [Employer newsletters \(monthly\)](#)
13. [Employer workshops: Payroll Reporting Refresher and Comprehensive Training](#)
14. [2017 maximum deductible pension contribution limit](#)

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 June 6 and 7, 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

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For general questions about the Public Service Pension Plan, or about your pension, please contact the **BC Pension Corporation:**

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