

The UNIVERSITY of WESTERN ONTARIO

Position Title: Board Member, Academic and Administrative Staff Pension Boards

Reports to: Board of Governors and Pension Plan Members

Date: September 2023

GENERAL OVERVIEW:

The board member is one of 11 individuals representing pension plan members and the University and bears the responsibility of administering two pension plans. The boards are the official administrators as described under the Ontario Pension Benefits Act and are accountable for statutory filings with the Financial Services Regulatory Authority of Ontario (FSRA) and the Canada Revenue Agency (CRA), with respect to the 2 pension plans. The job requires a minimum of 8 hours per month on average of each member's time to prepare for and attend meetings where decisions on the operation and direction of the pension plans and investment funds are made. While some responsibilities are routine, other tasks involve crisis management and development of new initiatives. The pension board member must be willing to devote time and effort to think creatively about these issues throughout the duration of their term (4 years for elected members, indefinite for appointed University representatives).

B. MEMBERSHIP:

The current composition of the Joint Pension Board is as follows: 4 elected members for the Academic Staff Pension Plan, 4 elected members for the Administrative Staff Pension and 3 members appointed by the University, who serve on both Boards.

In the event that each Pension Board is of the opinion that there is insufficient expertise on the Board in any of its responsibilities, the Terms of Reference of each Pension Board allows them to choose to appoint up to 3 additional members with appropriate expertise.

C. ORGANIZATIONAL DIMENSIONS OF POSITION:

- **Annual Budget of Western Pension Plan Expenses (including investment management and recordkeeping fees):** \$6,200,000
- **Value of Pension Plan Assets under management:** in excess of \$1,300,000,000
- **Pension Clients Served:** 6,400 active members
1,200 former members (with funds in plan)
- **Meeting, preparation and educational commitment** 72 hours per year plus education
- **Groups to liaise with to coordinate policies:**
1 board (7 members), meeting on an ad hoc basis
Joint board (11 members) and meeting on average seven times per year
consulting firms, as needed
1 investment consultant
1 legal advisor
1 external auditor
1 recordkeeper
13-15 investment managers

D. MAJOR AREAS OF RESPONSIBILITY:

1. Prepare for and meet with Joint Pension Board at least 7 times per year. Meetings of the Pension Board shall be open to any Member of the Plan, provided that specified portions of a meeting dealing with sensitive personal or corporate information may be held in closed session;
2. To make and enforce such rules and regulations as it shall deem necessary or proper for the equitable, effective and efficient administration of the Plans;
3. Interpret the Plan, its interpretation thereof in good faith to be final and conclusive;
4. To recommend the retention of and the mandate for, such investment service providers as it deems appropriate;
5. To recommend payments to be made in special circumstance not covered under the Plan;
6. To oversee the preparation of financial statements and records showing the detailed operation of the Plan;
7. To arrange for the audit of such financial statements and accounts by independent auditors and to present the audited financial statements to the Audit Committee of the Board of Governors;
8. To appoint an actuary, legal counsel or other advisor and to commission such studies as may be required for effective administration of the Plan;
9. To provide investment information and decision-making tools to all stakeholders, consistent with industry standards and Capital Accumulation Plan Guidelines, and to periodically review service providers engaged in providing such tools to members;
10. To initiate such legal actions as may be considered necessary to protect the interests of the Members, Former members, Spouses and other beneficiaries;
11. Supplement, modify or amend the Plan or recommend changes in the Plan to the Board of Governors;
12. Delegate day-to-day operational activity of the Plan to the Department of Human Resources (Pensions and Benefits) subject to any delegation by the Pension Board to an external service provider, of all or any part of such operation, with operating decisions based on policies as established from time to time by the Pension Board;
13. Periodically review all service providers against established criteria, and determine the appropriate action should a provider fail to meet criteria;
14. In administering the Plan neither the Pension Board, nor any member thereof, nor the Board of Governors nor any member thereof, nor shall the University, nor any officer or employee thereof, be liable for any acts of omission or commission, except in the case of any willful and intentional malfeasance or misfeasance. The University and its officers and each member of the Pension Board shall be entitled to rely conclusively on all tables, valuations, certificates, opinions and reports that shall be furnished by any actuary, accountant, administrator, auditor, trustee, counsel or other expert who shall be employed or engaged by the University or the Pension Board.

E. RESPONSIBILITIES of the Chair and Vice-Chair:

1. Preferably, the Joint Pension Board member who is in the last year of their term and who is in the opposite board as the previous year's Chair, will act as Chair for the upcoming academic year.
2. Preferably, the Joint Pension Board member who is in the next-to-last year of their term and who is in the opposite board as the current Chair, will service as Vice-Chair for the upcoming academic year.

3. If one or both of the above two rules cannot be followed because of member availability, one or two Board members must be nominated by their peers to serve as Chair and/or Vice-Chair.
4. The Chair and the Vice-Chair must be appointed by the Joint Pension Board.
5. The responsibilities of the Chair include establishing the agenda of each Joint Pension Board meeting with the Director, Investments; chairing each meeting of the Joint Pension Board, acting as Chair of their respective plan board and signing the financial statements of their respective pension plans.
6. The responsibilities of the Vice-Chair include replacing the Chair if they are not available to set up the agenda or attend a meeting. The Vice-Chair is also the Chair of their respective plan board and signs the financial statements of their respective pension plans.

F. POSITION COMPONENTS:

1. Communications/Interpersonal Dimensions:

- Meet with individual members regarding their suggestions and benefit entitlements under the Plan, providing information on the plan provisions and/or referring questions to Human Resources.
- Meets with other Pension Board members and the Human Resources staff to discuss administration policy, service providers, investment performance and other issues.
- Meets with Investment Consultant at least quarterly to discuss the investment manager performance and research on various asset classes.
- Meets with auditor at least annually to discuss any operational concerns they have observed or any material misstatement in the records or financial statements.
- Meets with external investment managers (13-15) regularly, to discuss the manager's portfolio performance, personnel, process, and thoughts on future events in the capital markets.

2. Initiative

- Prepares for each meeting by reviewing the material distributed with the agenda, asking questions of the Department Staff for clarification of any issues to be discussed.
- Brings forward concerns or requests that have been communicated to them by Members.
- Attends seminars, courses and other educational events related to pensions and investments held both internally and externally.
- Expresses their own perspective on administrative policy in existence and those being proposed.

3. Problem Solving

- Sets policies via democratic vote after discussion with other board members and review of research prepared for the discussion.
- Makes suggestions for changes or improvements in procedures to solve problems that are presented to the board by Department Staff.

4. Guidelines

- Terms of Reference from the Board of Governors
- Ontario Pensions Benefits Act
- Canadian Income Tax Act

- Official Pension Plan Texts filed with FSRA and CRA
- Statement of Investment Policies and Procedures
- Statement of Investment Beliefs
- Capital Accumulation Plan Guidelines
- Investment contracts and trust agreements
- Group Annuity Policies
- Service and Fee Agreement

5. Nature of Supervision Received

- Reports to the Audit Committee and the Board of Governors annually on the activities of the board.
- Reports to Members of the Plan annually on the performance of investments and policy changes.

6. Leadership Expectations

- Act as an ombudsperson for Members, Former Members, Spouses and Beneficiaries in determination of their rights and benefits under the Plan.
- Initiates efforts to have restrictive statutory requirements altered by making submissions to the proper authorities and by requesting support from management and other interested parties.
- Investigate opportunities to create greater value for the University and Plan Members (eg. Reduction of operating costs by investigating shared arrangements with other pension plans, research into asset classes that may add diversification or additional return on investments).

7. Supervisory Responsibilities

- Indirectly supervises the Human Resources leadership accountable for the pension investments and operations, providing input on those positions' performance to the AVP, Human Resources.
- Supervises the external investment managers, investment consultant, auditor, recordkeeper, communications consultants and legal counsel by appointing them, reviewing their past work, approving their fees, and terminating them if necessary.

G. REQUIRED CORE KNOWLEDGE AND COMPETENCIES

Education: There is no particular requirement for academic achievement in any given area of expertise. However, the board member is expected to take advantage of educational opportunities while acting as a board member to further enhance their knowledge of pension and investment issues. Approximately 3 working days per year should be set aside for these educational opportunities.

Experience: It is preferred that the Member has been active in educating themselves on their own entitlements under the plan and has some experience in reviewing investment results and pension provisions.

Other Requirements (for Elected Board Members only):

- Must be able to serve to end of term
- Must be making contributions under the Plan
- Must be nominated by at least 10 Plan members who are making contributions under the Plan
- Must be the winner of an election held under the Joint Pension Board terms of reference, or be the only person nominated