

THE UNIVERSITY OF WINNIPEG
TRUSTEED PENSION PLAN
BOARD OF TRUSTEES

Minutes of the Meeting of
Monday, December 13, 2021

ATTENDANCE:

Present: Ron Youngson (Chair), Mark Betcher (Secretary), Julia Peemoeller (Treasurer), James Townsend, Andrew Bendor-Samuel, Marni Yasumatsu, Ed Byard, Murray Wiegand, Lorne Hilton, Sheila Wilson-Kowal, Rosalie Harms, Joan Duesterdiek, Greg Gillis

Regrets: Marc Lafond, Colin Morrison (Vice Chair)

Also, In Attendance: Dianne Tamburro and Jennifer Li from Eckler.
Tarun Kumar (recording secretary)

1. Trustee Education Decumulation (Moved up the agenda)

- D. Tamburro noted that about 961 members (out of which 851 are active) with \$127 million were transferred to Desjardins.
- Based on member demographics by age, 22% of members are above age 55. These are the members which are the focus for this session because they are moving closer to retirement.
- Members aged 55 and older represent 41% of plan assets.
- There are only two paths where individual accumulation plans can go: firstly, an individual can buy traditional annuities, or secondly, income drawdown approach where individuals can buy LIF/RRIF/PRIF by themselves or plan sponsors can negotiate rates for these options with recordkeeper for members.
- RRIF and PRIF are retirement income stream for unlocked assets. Whereas LIF is a retirement stream for locked in assets.
- There is another option which is variable benefits which is not widely used due to administrative differences and familiarity.
- Members are more familiar with LIFs than variable benefits.
- LIF is easier to setup versus variable benefits from a member prospective. So Eckler's recommended approach for the University of Winnipeg is to use Group LIF/RRIF/PRIF.
- The reason for this recommendation is that Desjardins is one of the leaders in pricing for Decumulation options. They provide the same rate for the LIF/RRIF/PRIF as they did for accumulation.
- There are four benefits to having the University of Winnipeg offer decumulating options to members. a. Lower fees which means more income for retirees. b. Provide member with comfort that employer is overseeing the program. c. Keep fees low for pre-retirees. d. Minimal fees to the organization.
- She noted that this is a win-win situation for Plan sponsors that have chosen to offer decumulation to members.

- If the University of Winnipeg wants to offer decumulation then the next steps to implement are:
 - a. identify appropriate decumulation strategy
 - b. offer education to members regarding decumulation option.

D. Tamburro and J. Li left the meeting.

1. Approval of Agenda

MOVED: (J. Townsend/S. Wilson-Kowal)

That the Agenda be adopted as presented.

...CARRIED.

2. Approval of Minutes of the meeting

MOVED: (A. Bendor-Samuel/ J. Peemoeller)

That the minutes be approved as presented.

...CARRIED.

3. Report from DB Committee

- S. Wilson-Kowal reported for the DB Committee.
- She indicated that DB Committee met with J. King from AON where he provided an update on Q3 results.
- Plan performed 3% above benchmark in Q3.
- Asset allocation was rebalanced in September, so there has been no change and we continue to stick to the SIPP target allocation.
- The DB Committee discussed on reviewing the passive equity global mandate portfolio. We are currently invested with BlackRock in MSCI world index. J. King from AON will review and provide a cost to do the analysis with which he will help us decide on our next steps.
- The DB Committee has not met with CSSB for a while so T. Kumar will setup a meeting with CSSB in January to review real estate portion of the portfolio.
- It has been a long time since we have checked prices for actuarial services work. Therefore, the DB Committee decided to go for an actuarial services RFP.
- SIPP was reviewed and there were couple of sections which were updated. Going concern ratio and new numbers were updated in Appendix B and Appendix C was updated with target duration.

MOVED: (M. Wiegand/G. Gillis)

The revised DB SIPP to be adopted as presented.

...CARRIED.

ACTION ITEM: T. Kumar to send the approved SIPP to J. King.

4. Report from DC Committee

- A. Bendor-Samuel reported for the DC Committee. He noted that transition to Desjardins is complete.
- Desjardins service standards will be available by next board meeting.
- SIPP was updated with gender neutral language and Sun Life references were updated with Desjardins. Appendix tables are updated to reflect the asset class and funds that are available.
- Calendar of deliverables was reviewed and couple of changes were made.

- While working on one of the CAP/CAPSA checklist he identified that the plan text is silent on the purpose of DC plan. This means Section 13.5 primary purpose of the Plan Text comes into effect, though it does not reflect the intent of the DC plan. However, we have a purpose for the DC plan in the DC SIPP and this purpose is aligned with the DC plan.
- This led to a discussion about other possible issue with plan text. R. Harms agreed to review the plan text to identify any other issues.
- After this exercise, we may wish to amend the Plan Text by adding the history of creation of the DC plan and few minor changes such as purpose of the plan. R. Youngson agreed.
- The DC Committee is still planning to do a long survey, but following discussion, it was decided to delay the long survey because there are so many new things happening for members with the transition to Desjardins. It was also decided to use ONYX to get feedback on questions that will help us focus our questionnaire to get the right feedback.
- A decision was made not to include a message from DC Committee and the Board on the first annual statements provided by Desjardins. The idea was to see what the statement will look like. The DC Committee may decide to include specific information in the next statement if we deem it necessary.
- He noted that since the transition to Desjardins, the markets are down and if members see their statements, they could point out this switch was the reason for drop in their balances. Even if we stayed at Sun Life, it would have been the same.
- Few DC plan members reported that Desjardins call center is not aware that the University of Winnipeg DC pension plan is administered by them.
- The issue was reported to Desjardins immediately. They reached out to all of their call center employees and informed them that the University of Winnipeg is administered by them. They also took authorization from us to make out bound call to all affected members.
- A. Bendor-Samuel noted that since we had today's session on decumulation, at the beginning of the meeting, that if we offer decumulation this will be a huge benefit to our retirees. According to the information shared by D. Tamburro there is not much risk nor much increase in effort. The only thing we have to focus on is to provide targeted information. He asked for suggestions from the Board.
- R. Youngson noted that decumulation was something which was discussed at the various DC Committee meetings. From today's presentation by Eckler it is clear that it costs nothing, certainly not dollars, to add decumulation to the plan. He agreed that this would be beneficial to the membership and the plan. He did not see any problem with adding it to the plan.
- S. Wilson-Kowal added, that during retirement, members must be given advice or educated about the family assets so they are drawing down from the right pot of money. A. Bendor-Samuel noted that when he sought advice from Onyx for his retirement, they did inquire about family assets from him.
- R. Youngson asked if we add decumulation to the plan is Desjardins allow transfer in from other institutions or spouses and get the same group rates. A. Bendor-Samuel will confirm it with Desjardins.
- S. Wilson-Kowal left the meeting.
- L. Hilton asked what framework or standards are deployed for these third parties which are providing guidance to our members or former plan members that are retired. R. Youngson noted that anyone providing advice or guidance to plan member from Onyx will be a certified financial planner. A. Bendor-Samuel added that we can tell Onyx that each piece of advice that will be provided should come from a certified financial planner. We can request that they provide us with the status of their certification every few years.

- R. Harms noted that she is a CPA and that maintaining her CPA in good standing is also a condition of employment. She added that Onyx will also be monitoring it and ensuring that their employees are meeting the standards for certification.
- A. Bendor-Samuel mentioned that going forward, if we request proposals for these services, we should add this condition as an expectation to the agreement.
- Board of Trustees agreed to add decumulation to the plan. A. Bendor-Samuel and M. Betcher to discuss with Desjardins next steps for adding decumulation to the plan.

MOVED: (R. Harms/M. Betcher)

The revised DC SIPP to be adopted as presented.

...CARRIED.

ACTION ITEM: A. Bendor-Samuel to check with Desjardins if member spouse can transfer in their funds and can a former retiree can come back and get decumulation options.

5. Report from Operations Committee

- M. Betcher reported for the Operations Committee.
 - a. Financial statements
 - J. Peemoeller noted that the financial statements have not changed significantly compared to the previous quarter.
 - We have cash at CIBC Mellon main account along with two other accounts with BG.
 - Monthly contribution to the DB plan is decreasing due to decrease in number of members.
 - Special payments have decreased due to increase in actuarial valuation.
 - There is no change in unallocated fund income distribution from last quarter as it is only posted twice a year in June and December.
 - Administration expenses decreased compared to last year due to changes in fund managers.
 - Custodial fees have increased because we have opened new accounts and could exceed the budget by the end of the year.

MOVED: (J. Peemoeller/M. Wiegand)

That the financial statements be approved as presented.

...CARRIED.

- b. Annual Budget 2022
 - J. Peemoeller noted that there is not much change in budget compared to last year.
 - New accounts are set up, so we have increased the budget for custodial fees.
 - DC cost recovery was increased.
 - M. Betcher mentioned that with a new agreement with Desjardins we have setup an expense recovery account. Plan members are charged .25 bp to cover the future RFP and any other expenses. The more assets we have in the plan, the more money will go into the expense recovery account, which will give us an opportunity to improve either the services or lower member fees.

MOVED: (J. Peemoeller/ E. Byard)

That the annual budget be approved as presented.

...CARRIED.

c. Board of Trustees 2022 meetings.

- The meetings for 2022 for the Board of Trustees were set as follows:

March 14, June 13, September 19, December 12

d. Calendar of deliverable

- M. Betcher noted that all the committees are reviewing their calendar of deliverables.
- Due to update in Manitoba pension legislation we have to file the SIPP annually for both DB and DC plan.

e. Trustee education

- M. Betcher noted that J. Peemoeller and M. Yasumatsu will be presenting their learning from FTMS with the board in March 2022 meeting.

6. Other Business

- R. Harms asked that she also wants to attend the FTMS course and what is the procedure to enroll in it? M. Betcher noted that she can send an email to T. Kumar with the cost and the course then it will go to the Operations committee for approval and once it gets the approval, enrollment can be completed.
- E. Byard noted that in last meeting we decided that we will not make FTMS a mandatory course for Trustees and R. Youngson was supposed to draft a memo and circulate it to the Board. R. Youngson noted he will draft it and send it via email to all the Trustees.

ACTION ITEM: R. Youngson to draft a memo regarding Trustee education and send it all the Trustees via email.

7. Date of Next Meeting

The date of the next Board of Trustees meeting is March 14, 2022.

11. Adjournment

As there was no other business to come before the Board, the meeting was adjourned.

Chair

Secretary