

Welcome to the UBC Staff Pension Plan 2024 Update



We will start in a few minutes. Some housekeeping items:

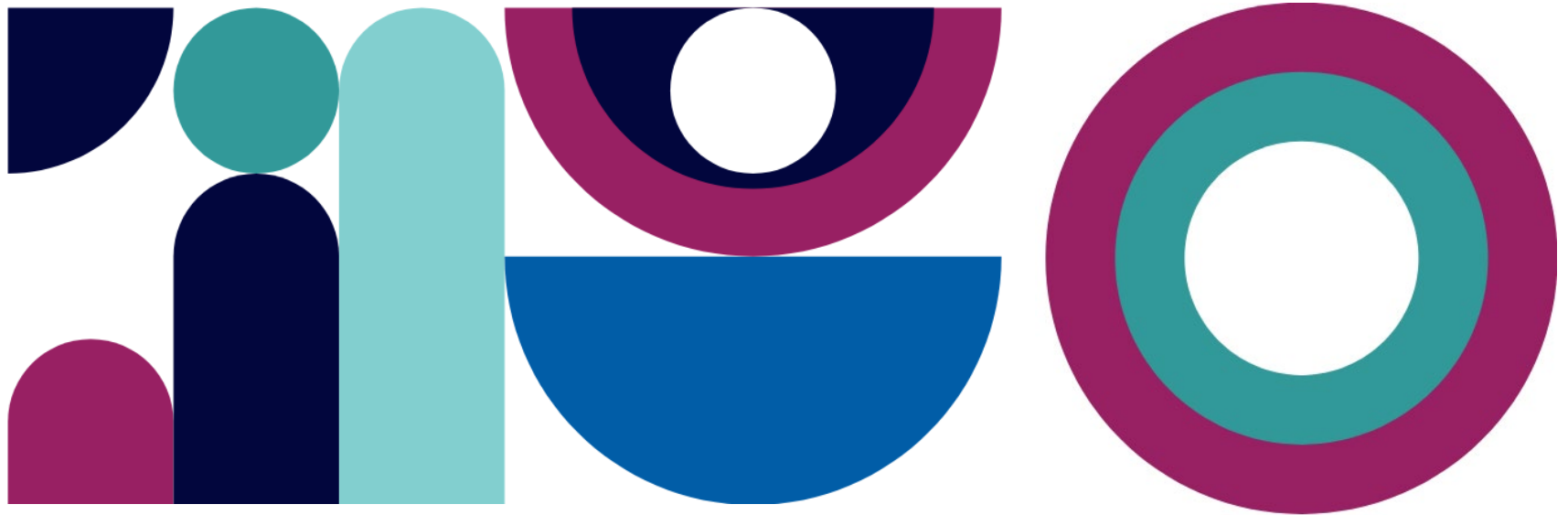
- Presentation slides: staff.pensions.ubc.ca/SPPUpdateSlides
- This session will be recorded. Closed captioning is enabled.
- Participant video and audio will be kept off during the webinar.
- Use the **Q&A feature** to ask your pension-related questions.
- Please only use the **Chat feature** if you need help with a Zoom technical issue.
- Questions will be monitored throughout the session and addressed during the Q&A.
- If we don't have time to address your question live, we will reply to you after the session.

2024 Update

FOR THE UBC STAFF PENSION PLAN

Derrick Johnstone, Executive Director, Pensions

June 2024





1049

**members
registered**

97

**questions
submitted in
advance**

Thank you for being here today!



Poll: Have you attended an
SPP Update presentation
before today?



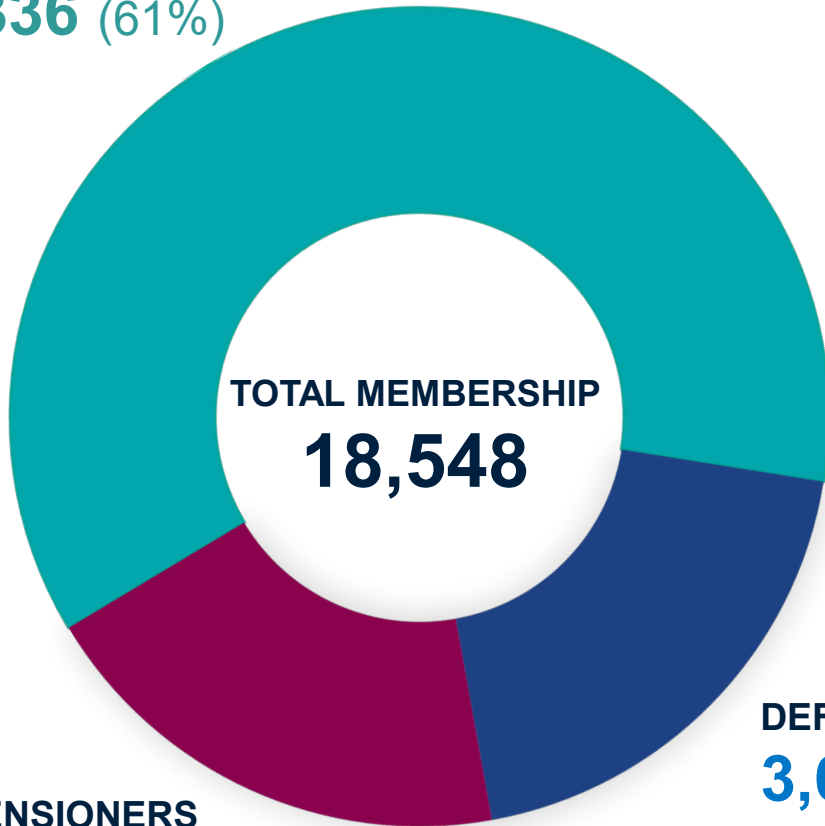
Poll #2


**How many members are in the
UBC Staff Pension Plan?**

Total Membership



ACTIVE MEMBERS
11,336 (61%)

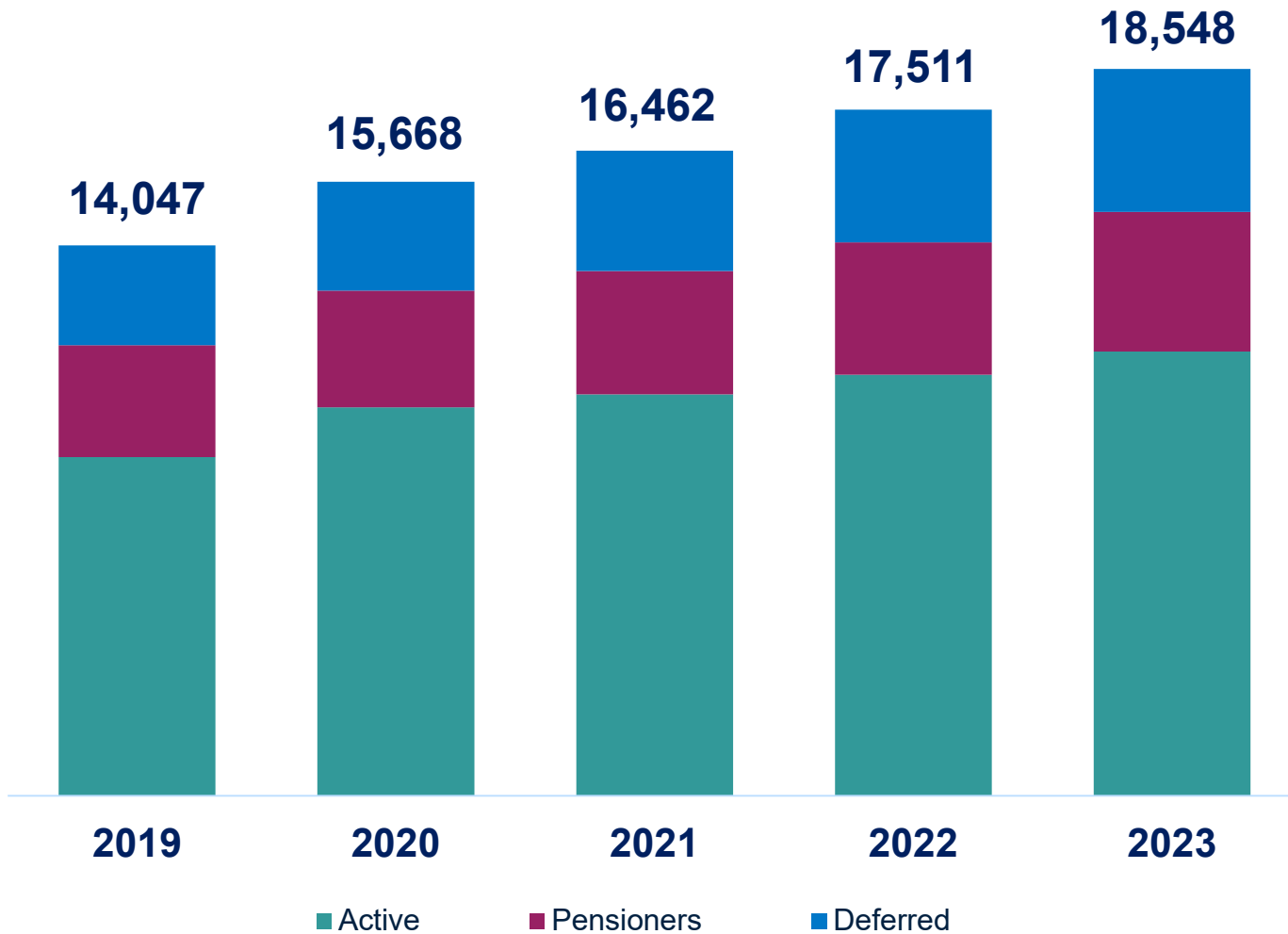


 **5.9%**
increase
from 2022

DEFERRED MEMBERS
3,645 (20%)

PENSIONERS
3,567 (19%)

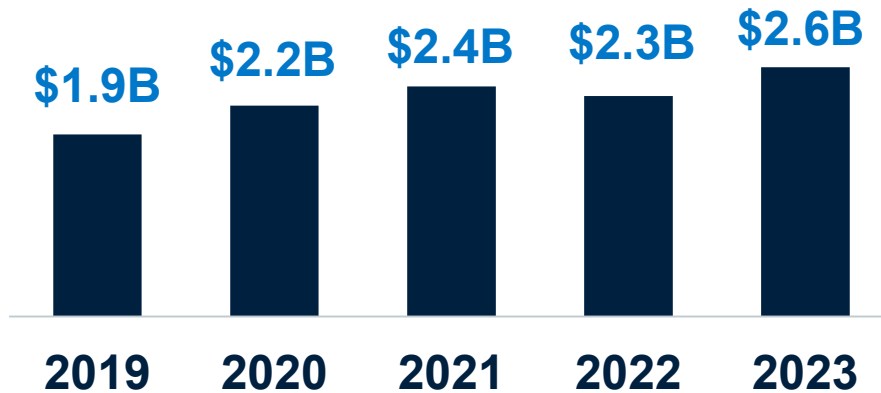
Membership Growth



3:1
RATIO OF ACTIVE MEMBERS TO PENSIONERS
3 ACTIVE MEMBERS TO EVERY 1 PENSIONER

Financial Highlights

Total Plan Assets over last five years



Total Plan Assets
\$2.6 B

Employee Contributions
\$57 M

Employer Contributions
\$81 M

Total Pensions Paid
\$57 M



Key Areas of Focus



**Actuarial
Valuation**
(as at Dec 31, 2022)

**Long-Term
Plan
Sustainability**

**Member
Engagement &
Communication**

What is an Actuarial Valuation?

- A financial check-up of the SPP conducted by the Plan's actuary. It occurs every three years.
- Provides information to help the SPP Board manage financial risks and to keep the Plan sustainable.
- Assesses how much money is needed today in order to pay pensions in the future.



Why is an Actuarial Valuation important?

1. Evaluates the present financial status of the SPP.
2. Assesses the ability of the SPP to pay pension benefits over the long term.
3. Determines the level of indexing (also known as cost-of-living adjustments, or COLA) the SPP can pay for the next three years.
4. Complies with regulatory requirements for actuarial valuation and filings with pension regulators.





Poll: What type of pension plan is the UBC Staff Pension Plan?

Key Considerations

**The SPP is
a Target
Benefit Plan**

- Since both employer and employee contributions are fixed, the SPP Board needs to ensure benefits provided are kept in balance with the capacity of the Plan's funding level to support them.
- Benefits may be adjusted up or down depending on the Plan's ability to pay them.
- If the Plan is over- or underfunded, the SPP Board must take specific steps to restore the balance, which are outlined in the Plan's Funding Policy.



Actuarial Valuation: Key Results at a Glance



**Well-funded
pension plan**

**Sustainable
benefits with a
healthy margin**

**Cost-of-living
adjustments at
70% of inflation
(2024 to 2026)**

Cost-of-Living Adjustments

- When plan funding allows, cost-of-living adjustments (COLA) are provided to help your basic pension benefit keep pace with increases to costs of living.
- Every COLA that you receive becomes part of your lifetime pension benefit.
- The SPP uses inflation protection as a lever to keep the Plan sustainable and to protect the lifetime pension that you receive from the SPP.
- Depending on the Plan's financial situation, COLA may **stay the same, decrease or increase.**



Learn more about the valuation results

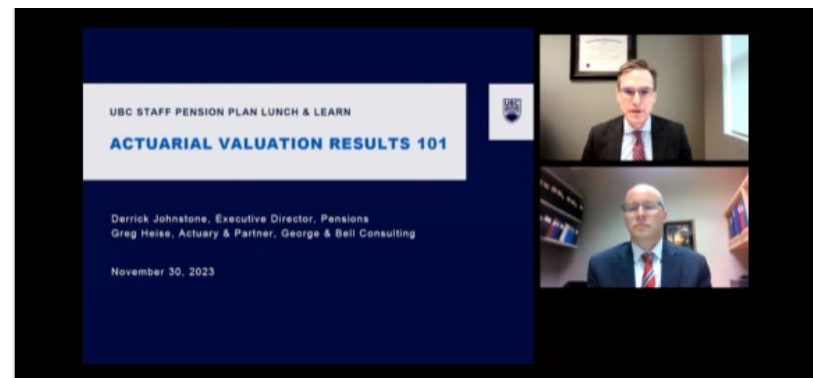


Visit staff.pensions.ubc.ca > **Plan Governance** > **Actuarial Valuations** for the following resources:

**Pension Airwaves Podcast
Episode 16: What is an
Actuarial Valuation?**



**Lunch & Learn Video:
Actuarial Valuation Results 101**



Asset Liability Study

- The SPP Board is focused on proactive risk management through regular monitoring.
- In 2023, we worked with an external investment consultant to determine whether the current structure of the SPP's investment portfolio can meet its investment objectives.
- Study showed that the Plan is in a strong financial position with a well-diversified investment portfolio
- Next steps are to optimize the asset mix to improve reward while maintaining the same level of risk



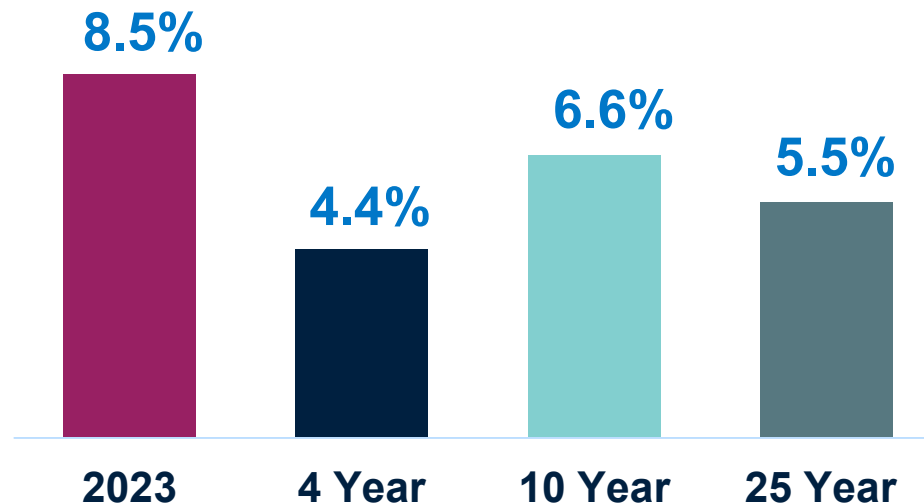
Investment Approach: Focused on the long term



- The *Statement of Investment Policies and Procedures* (SIPP) developed by SPP Pension Board and approved by Board of Governors outlines the investment strategy.
- UBC Investment Management uses a manager-of-managers approach to invest the SPP fund.
 - Selects the appropriate strategies and external managers to implement the asset mix in the SIPP
- Invested for the long term to generate sufficient returns to maintain pensions and indexing – balance of risk and return

Investment Performance – Net Rate of Return

- The SPP's investment portfolio continues to be resilient and meets performance expectations.
- Focused on long-term performance as the purpose of the SPP is to provide stable retirement pensions for the lifetime of our members.



(Returns are net of operating and investment fees)



Investments

- Our broadly diversified portfolio is designed to reduce investment risk during times of market volatility.
- The SPP portfolio is a mix of public and private investments, and divided among three major asset categories:



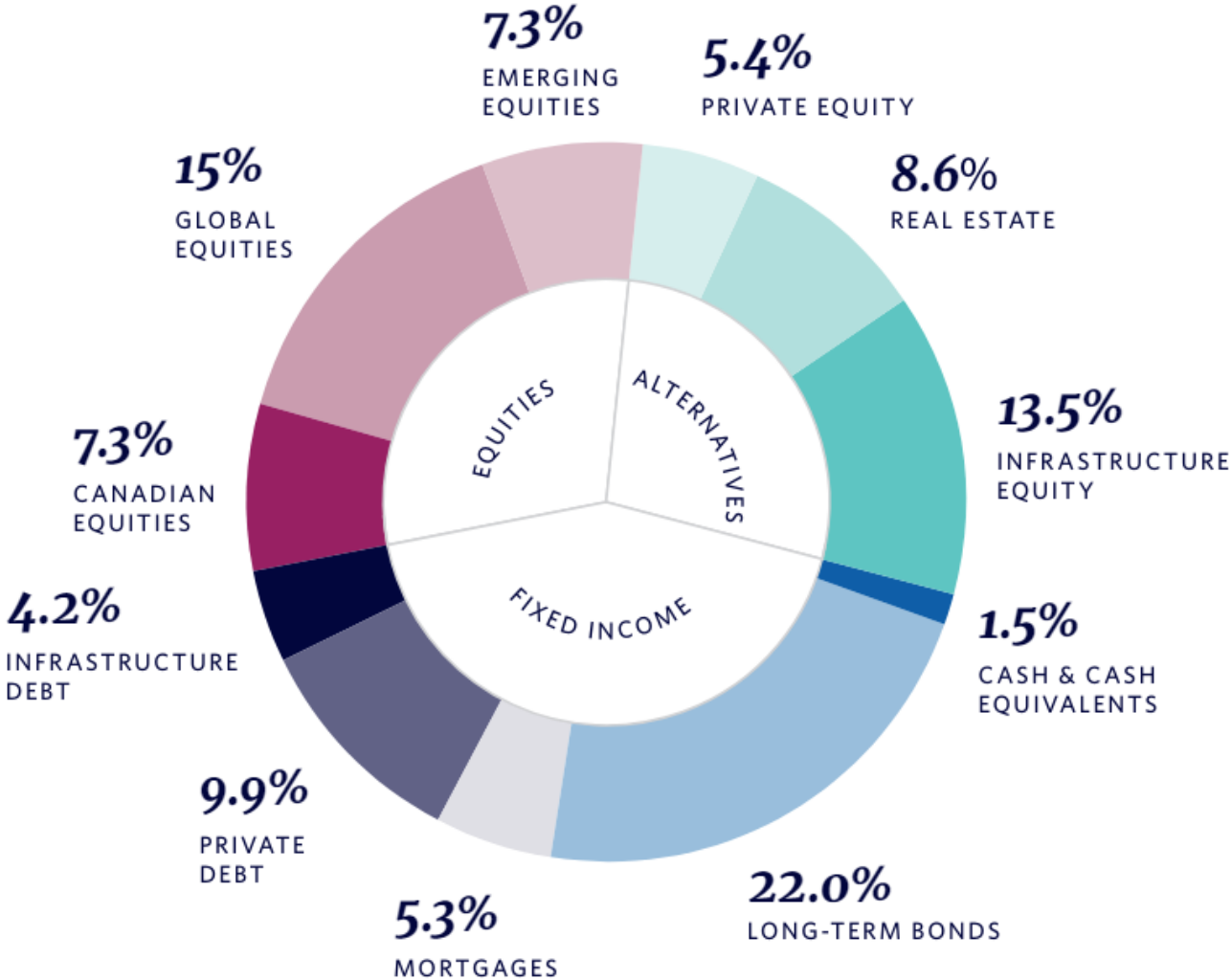
Fixed Income

Equities

**Alternatives
(Real Assets)**



SPP Asset Mix as at December 31, 2023



Responsible Investing

- Responsible investing is an important factor in keeping the Plan sustainable for the long term.
- Environmental, Social and Governance (ESG) are considered important risk factors when selecting and monitoring of the Plan's investments.
- The objective is to manage financial risks and improve returns.
- Climate change considerations and ESG factors are part of UBC Investment Management's investment process.
- SPP Board monitors UBC Investment Management's investment performance and ESG activities.



Responsible Investing

Key milestones on our journey so far:

- Established a Responsible Investing Policy (which is now part of the *SIPP*)
- Signatory of the United Nations Principles for Responsible Investment (PRI)



Responsible Investing

In 2023, we worked on the following initiatives:

- Completed our second year of reporting under the PRI framework.
- Continued monitoring of investment managers to reduce climate-related risk exposure in the SPP investment portfolio.
- Met with a leading international provider, specializing in integrating climate scenario modelling into our asset liability study.



Connecting with Members

Member education is offered in person and online

In 2023:



411
members

Attended an online
***Understanding your Staff
Pension Plan*** workshop

183
members

Attended an online or
in-person **Retirement
Information Session**

346
members

Attended the online
**SPP Lunch & Learn: Actuarial
Valuation Results 101**

589
members

Attended the online
**SPP Update
presentation** in June

Annual Pension Statement

- Statements were posted to myPension in early May and members were notified by email.
- If you are currently opted in to receive a paper statement, it was mailed in May.
- **Want electronic instead of paper?** Change your communication preference in myPension.
- Learn more about your annual statement on the SPP website:
 - **Annual Statement Guide**
 - **Pension Airwaves Podcast Episode 11: *Your Annual Statement***



myPension

- Secure website where you can view your personal pension information.
- You can generate your own pension estimate for retirement planning. The estimate will include pensionable service after December 31, 2023 to the date you choose as your retirement date.
- Access myPension at my.pensions.ubc.ca
- **Enhanced myPension launching in fall 2024.**



Keeping Informed



SPP website: staff.pensions.ubc.ca

- *SPP Update* and *The Pensioner* Newsletters
- *Pension Airwaves* Podcast
- SPP Annual Report
- *Understanding your Staff Pension Plan* Workshops
- Retirement Information Sessions
- Get Educated Sessions

myPension: my.pensions.ubc.ca

SPP Member Services Team

- Dedicated representatives to assist you (by member last name)
- Located in the Pension Administration Office, Vancouver Campus
- Available Monday to Friday, 8:30 am to 4:30 pm
- Our physical office is closed on Fridays, but we are available remotely via phone and email
- Contact the team at staff.pensions.ubc.ca
Select **Contact Us > Contact Member Services**



Questions?



To ask questions:

- » Click on the Q&A icon at the bottom of your screen in Zoom
- » Type in your question
- » If we aren't able to get to your question during the live webcast, we will do our best to reply to you by email

Thank you for attending!

SPP 2024 Update



Please help us evaluate this member education session by participating in our post-event feedback survey.

