



# Pension Airwaves

## Episode 19 - Joining the Pension Board (*Transcript*)

Hi there and welcome to this episode of Pension Airwaves, where we're going to discuss joining the Staff Pension Plan (SPP) Board. We will touch on the general purpose of the Board as it pertains to governing the SPP, we'll talk about the process of becoming a Board member, including who is eligible, why someone might want to become a Board member, as well as the nomination and election process administered by UBC Elections.

The SPP Board has a big role and responsibility towards the Plan, including oversight — like making sure everything is running well and as planned, and making sure that decisions are being made in an equitable and accountable way. They can really shape the direction of the Plan's priorities — for now, and in the years to come. So, having committed and engaged Board members with a genuine interest in pension plan governance is super important for the health and wellbeing of the Plan.

I talked with Derrick Johnstone, our Executive Director at the Pension Administration Office, about these topics, and about the call for nominations taking place in the Fall of 2024, the closing date of which is on October 3 at 4 pm. If you're interested in learning about Board membership, whether you want to be nominated, nominate someone else, or whether you want to be an informed voter if and when the voting period opens later in the fall, then stay tuned to our conversation, and be sure to reach out if you want to learn more.

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**Chelsey:** Thanks very much, Derrick, for joining me on this episode!

**Derrick:** It's nice to be here!

**Chelsey:** So, overall this episode will be talking about the process for joining the Board, and that it's an election year this year... but first, why don't you touch on the purpose of the SPP Board. What does it do for the pension plan, and can you describe the Board a little bit ?

**Derrick:** Sure. The Staff Pension Plan is administered by UBC acting through the Board of Governors. Now having said that, UBC has created the Staff Pension Board and has delegated the day-to-day activities and oversight of the Plan to this Board. The Board is made up of eight members, four of whom are elected, and as you mention, we will be having an election this fall, four of whom are appointed by the University. Then in addition to that, there's an appointed, non-voting chair of the Board. So some of the responsibility of the Board, really, is to act on behalf of UBC in a fiduciary capability. That includes overseeing the day-to-day administration, changes to the *Plan Text*, retaining actuaries and service providers, communication with Plan members - there's a whole host of things that are required of Plan administrators under the Pension Benefits Standards Act and regulations that pension plans must do. In this case it's the duty of the Staff Pension Board to make sure those are all done.

**Chelsey:** Can you explain why we have both appointed and elected Board members?

**Derrick:** Well, it's not an unusual design for pension plans that the sponsor, in this case, the University, appoints the four members to have their interests looked after. And then, as well, to have member representation, there are four members. So the members get to have four people sit on the Board as well. And that gives a good balance of different people who come to the Board with different skills.

**Chelsey:** What about the overall process for obtaining those elected board members? Can you touch on how frequently we have elections, and what's involved?

**Derrick:** Certainly. Under the Plan's *Terms of Reference*, four elected members are elected every four years. So you're elected for a four year term, and there's offset every two years: two members will be elected one year, and then in two years time, the other two positions will be elected. The only exceptions to that is if an elected member steps off the Board for some reason. That gives the Board the option to either hold a by-election, or they may just wait for that election cycle to have that seat re-filled with another elected member.

**Chelsey:** And what happens if you don't get enough nominations, or if you only get one nomination per elected role? Does an election then go forward?

**Derrick:** Well no, there would just be acclamation at that point. That's interesting though, it's not something we've experienced, or at least not for many years. We've had good engagement through the members, various people wanting to join the Board, so we have had an election cycle for years now, with elections being held.

**Chelsey:** Can you talk more about who can become a Board member?

**Derrick:** Any member of the Plan can run for one of the elected seats. It could be an Active member (so, currently working at the University and contributions are being paid in), it could be a Deferred member (they've left their position but they still have a benefit within the Plan), or it could be a Retiree of the Plan as well. And we've had all three categories, at various stages, sitting on the Board.

**Chelsey:** So just to clarify we cannot have spouses, relatives or beneficiaries right?

**Derrick:** No spouses, no limited members, no beneficiaries. You would need to be a member of the Plan as defined under the *Plan Text* of what a member is.

**Chelsey:** What about age, job role, number of years of service, or union groups, are there any restrictions on that?

**Derrick:** No restrictions. We have had a variety of people sitting on the Board through the elected positions. And that's one of the nice things about the elected positions — anyone with any role at any stage of their career or retirement can, in fact, serve on the Board. We certainly encourage anyone who has interest to put their name forward.

**Chelsey:** So that can lead into my next question of why, in your opinion, or from your experience, or from what you've heard, why do you think someone might choose to become a Board member? There's definitely the idea of giving back to the UBC community, or maybe they've just always been interested in pensions work... can you mention some other possible reasons why one might decide to join a pension board?

**Derrick:** I think in most cases (you've probably hit on it) that people want to give back to this community, this organization and the University, by choosing to sit on the Board, and I would think most would have some interest, either in pension plans, governance, or want to learn more about pension plans and how they are governed.

**Chelsey:** Can you also touch on what might be considered desirable qualities and skills for a Pension Board member to have?

**Derrick:** It's good for any board to have a varied set of skills amongst Board members. And if there's gaps, we'll help fill those gaps, either through education or direct Board members to where they can learn more about something if they have a specific interest in that.

There is a fair amount of commitment to sitting as a Board member. Just to begin with, it's [typically] a four-year term. Assuming you come to the Board with little or no experience in pension plan management, there is a learning curve, there's an education component, ie. an expectation of Board members to bring themselves up to speed. And really that comes from the legislation — if you are a fiduciary, you are expected to learn what it is you need to know to fulfil your duties as a fiduciary.

Now, we don't expect anyone to come as an expert to this Board. So you don't need prior pension knowledge or board experience. What you do need is a willingness to learn. There has to be an understanding, or a *want* for understanding of the retirement plan in which you participate. The SPP provides retirement income for thousands of members. It is something that does have to be taken very seriously in the role that you have. We provide an orientation to any new Board member. Then there are also educational opportunities externally that we encourage our Board members to go to. As well, the SPP employs experts to give advice to the Board members so that they can make the decisions that are necessary. You need the ability to work cooperatively with others. And, in pension board governance, you really need a high standard of integrity and ethics.

**Chelsey:** Yes. I imagine that with so many different age groups, backgrounds, and even types of members, they all have different needs. So I imagine it's a unique skill set and level of interest that one might have to be able to make decisions with the best interests of all members in mind.

**Derrick:** That's a very interesting point you bring out, and that's one of the biggest challenges that this Board and all pension boards come across is how to treat different members as equitably as you can. Because, the needs of the current retirees are different than the needs of the current active members who one day will become retirees, and that is very much about how Plan design works. The questions and decisions that come to the Board, many times, look at those challenges.

**Chelsey:** In a bit more detail, can you explain the role of the Board members, and what kinds of requirements and expectations we might have?

**Derrick:** One of the biggest expectations for [SPP] Board members is that you attend the Board meetings. Five to seven [meetings] per year is typical, and those meetings are usually in the afternoon, maybe four to five hours [each], and those meetings are in person. The expectation is that you do show up to certainly the majority of those meetings, if not all of those meetings. They're held at the Pension Administration Office here on the main campus in Vancouver, and that's how the Board business is conducted — in person and at the Board table. There may be members from UBC Okanagan [or elsewhere] who might be interested in this, and if there are, and in-person would be a challenge, they should contact the Pension Administration Office for a discussion around what the expectations might be.

Then prior to each meeting, there's an expectation that all the materials that come to the Board have to be read in advance, so that's more time commitment. As well, there's an expectation that you'll attend educational conferences, or something to, again, further your education and your abilities to execute your

duties as a Board member. So all of that has to come from people who — you know, for active members, that's time away from their roles. There's no compensation for sitting on the Board. So it's something that members do need to consider.

Now with respect to the responsibilities, I sort of touched on some of them, but there's a few key ones. And again, these are delegated to the Board from the University Board of Governors. That includes setting the Plan Asset Mix — that means the Board decides how the assets of the fund will be invested, so that means what proportion of Equities or Fixed Income or Infrastructure, questions like that. This is not an investment role for the Board. The SPP's investments are managed by the University of British Columbia Investment Management (UBCIM), that's a wholly-owned investment firm by the University. So if anyone is thinking they'd come to this Board and be able to direct investments, like the hiring and firing of investment managers, that's not what this role is. The Board sets the investment mix and oversees UBCIM as the Plan's investment manager. Other key [responsibilities] include setting the *Statement of Investment Policies and Procedures* (SIPP), there are governance policies, and there's a lot of regulation around pension plans in British Columbia, and it's the Board's responsibility to make sure all of those are adhered to. You also have to make sure that we are managing Plan adherence to the *Income Tax Act* and the *Plan Text* itself. Now having said that, the pension professionals in the Pension Administration Office are the ones executing these things on a day-to-day basis. The Board members and the Board as a whole, are responsible for the oversight.

**Chelsey:** So if someone is interested in being nominated for an elected Board member position, what's the process? What would be their next steps?

**Derrick:** The election is handled through UBC Elections. So if you're interested, first you need to be a member, and then you need to find three other members who would nominate you. There's a nomination form that requires the three nominating members to sign off, and the potential candidate to sign off as well. The nomination forms are available on our website ([staff.pensions.ubc.ca](http://staff.pensions.ubc.ca)) or [members] will have received an email. There needs to be a *Written Commitment to Serve*, which is essentially [a signed document] agreeing to the *Terms of Reference* of the Plan that says "I will meet the conditions of being a member of this Board." There also needs to be a candidate statement for part of the election, and that's where each candidate would have [around] 300 words describing who you are, your background, and why you wish to sit on the Board as a member.

**Chelsey:** What about campaigning? Occasionally we will get questions about whether or not the Pension office supports or has restrictions about how candidates can campaign, like through their department or social media accounts... do we have any comment about that?

**Derrick:** We really don't have any comment as the Pension Administration Office. UBC Elections manages this process for us, and we are essentially the recipient of whomever wins the election. I guess we are like the neutral body in this — we work with whomever is elected to the Board.

**Chelsey:** So as we speak, it's September 2024, and it is an election year for the SPP Board. Derrick would you like to talk about the current call for nominations happening now?

**Derrick:** Right now it has started and it's open for about a month [until October 3, 2024]. UBC Elections will take nominations and candidate statements from anyone who does wish to participate in the election that will happen this fall. What we have currently, in this election cycle, are two 4-year term [seats] that are open, and one 2-year term [seat] open. And that's because an elected member stepped off the Board in late 2023/early 2024, so [the Board] appointed someone to that seat until a regular election cycle could be held. So that's why we have a slightly different election cycle this time: two regular seats that are open, plus one that is open for two years.

**Chelsey:** And if people have questions about the Pension Board or about Board member duties, who should they contact?

**Derrick:** That's a great question. I'm able to describe, to anyone who might want to ask, how the Board works, but there's also lots of information on the SPP website ([staff.pensions.ubc.ca/governance](https://staff.pensions.ubc.ca/governance)). The *Terms of Reference* document is there, that really outlines how the Plan is governed. As well, the Plan's *Governance Policy* is there. Between those two documents, that will really tell you what the Board is responsible for, what the University is responsible for, and what the Pension Administration Office is responsible for. And then any questions about the election itself should go to UBC Elections.

**Chelsey:** Perfect. And yes the email address for UBC Elections is [elections.information@ubc.ca](mailto:elections.information@ubc.ca). For those who are listening, we will be sure to include that in the transcript notes beside this episode.

Alright, well I think that's a great overview of the process and details about joining the Board for the Staff Pension Plan. Thank you so much Derrick for chatting with me about it, and of course for being available to potential candidates if they have any questions about joining.

**Derrick:** Thanks Chelsey, it's nice to be here.

*This content has been compiled by the UBC Pension Administration Office for educational purposes. If there is any inconsistency between the contents of this communication and the pension plan documents or legislation, the plan documents and legislation will prevail. Updated September 2024.*

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