

# **2021 UPDATE FOR THE UBC STAFF PENSION PLAN**

**ORLA COUSINEAU, EXECUTIVE DIRECTOR, PENSIONS  
JUNE 2021**





# Agenda

- Membership and Financial Highlights
- Investments
- Annual Statement
- Key Takeaways
- Keeping Informed
- Member Services
- Questions



# Membership Highlights



Ratio of active to retired members



**3** active members to every  
**1** retired member

New enrolments in 2020



# Financial Highlights

Total Plan Assets  
**\$2.16 B**

Total Pensions Paid in 2020  
**\$45 M**

Contributions into the Plan  
**\$103 M**

**\$42 M** Employee Contributions

**\$61 M** Employer Contributions



**16%**

Increase from 2019



# Financial Highlights



## Sustainable Pension Plan

### Target Benefit Pension Plan

- Contribution rates are fixed
- Basic pension and indexing subject to Plan's ability to pay

### Valuation – December 31, 2019

Next valuation will occur on December 31, 2022

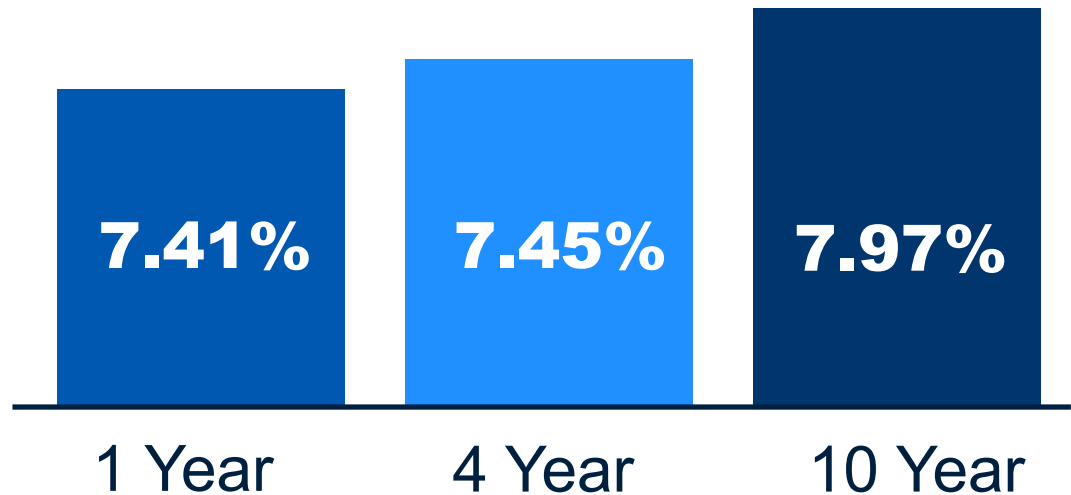
Well-Funded

50% Indexing Continues

### Plan's Benefits / Funding Test

22.6% Safety Margin

# Investment Performance – Net Rate of Return



(net of investment and operating fees)





# Investments

- *Statement of Investment Policies and Procedures* (SIPP) developed by SPP Pension Board and approved by Board of Governors outlines the investment strategy
- UBC IMANT uses a manager-of-managers approach to invest the pension fund
- Selects the appropriate strategies and external managers to implement the asset mix in the SIPP
- Target benefit nature of the Plan is key
- Invested for the long term to generate sufficient returns to maintain pensions and indexing



# Investments

- Broadly diversified portfolio designed to reduce investment risk during times of market volatility and to keep the Plan sustainable
- No significant changes made to investments as a result of COVID-19
- SPP continues to be well-funded





# SPP Asset Mix as at March 31, 2021

Asset Class	Actual	Long-Term Policy
Cash & Cash Equivalents	1.2%	1.0%
Long-Term Fixed Income	21.6%	19.0%
Infrastructure Debt	9.3%	10.0%
Mortgages	5.5%	5.0%
<b>TOTAL FIXED INCOME</b>	<b>37.6%</b>	<b>35.0%</b>
Canadian Equities	8.5%	7.5%
Global Equities	18.8%	15.0%
Emerging Equities	8.1%	7.5%
<b>TOTAL EQUITIES</b>	<b>35.4%</b>	<b>30.0%</b>
Private Debt	2.2%	7.5%
Private Equity	3.0%	5.0%
Real Estate	10.4%	10.0%
Infrastructure Equity	11.5%	12.5%
<b>TOTAL ALTERNATIVES</b>	<b>27.1%</b>	<b>35.0%</b>



# Responsible Investing

- Responsible investing is a factor in keeping the Plan sustainable for the long-term
- Objective is to manage financial risks and improve returns
- Climate change and other Environmental, Social and Governance (ESG) factors are part of UBC IMANT's investment process
- SPP Board monitors UBC IMANT's investment performance and ESG activities
- SPP became a United Nations PRI signatory last year

*Signatory of:*



# Annual Pension Statement

- If you were an active or deferred member of the Plan on December 31, 2020, you should have received your statement
- Pension shown is based on pensionable earnings and service at December 31, 2020
- The pension amount is before taxes have been deducted
- The pension represents the amount you would receive starting at age 65 if you left UBC on December 31, 2020
- **New this year** - If you have a spouse, the amount shown is based on a pension that continues to your spouse on your death
- For retirement planning, use myPension which will include pensionable service after December 31, 2020 to the date you choose as your retirement date





# Guide to understanding your Annual Pension Statement

## SPP 2020 ANNUAL STATEMENT GUIDE



**Staff Pension Plan**  
 Human Resources  
 Pension Administration Office  
 #201 - 2389 Health Sciences Mall  
 Vancouver, BC Canada V6T 1Z3  
 Tel 604 822 8100  
 Fax 604 822 9471  
 spp@tr.ubc.ca  
 staff.pensions.ubc.ca

### ANNUAL STATEMENT FOR ACTIVE MEMBERS

From January 1, 2020 to December 31, 2020

(sample) JANE SMITH  
 (sample) 1234 Roadside Avenue  
 (sample) Vancouver, BC A1A 1A1

UBC ID: 1234567  
 Member Date of Birth: May 1, 1969  
 Spouse Date of Birth: June 30, 1967  
 Plan Entry Date: July 1, 2006  
 Earliest Retirement: June 1, 2024  
 Normal Retirement: June 1, 2034  
 Latest Retirement: December 1, 2040

#### Contributions & Pensionable Service

Your Contributions			Pensionable Service		
Total as at January 1, 2020	Made during 2020	Interest Earned during 2020	Total as at December 31, 2020	Accrued during 2020	Total as at December 31, 2020
\$29,870.95	\$3,323.64	\$313.84	\$33,508.43	12.00 months	11.88 years

Your contributions are **NOT USED** to determine your pension. Your lifetime pension is based on a formula that uses your three-year highest average salary and years of pensionable service.

#### Pension Benefits

When you leave UBC, you are entitled to one of the following:

- A monthly lifetime pension commencing any time between age 55 and age 71\*
- A contribution refund OR the commuted value of your accrued pension, whichever is greater at the time of calculation (some or all funds may be Locked-In)\*\*

\* This option is only available if the value of your benefit is more than the minimum prescribed by the BC Pension Benefits Standards Act regulations.

\*\* Please note that this option is not available once you turn age 55, unless at your retirement date you qualify for a small benefit. All lump sum payments are subject to BC Pension Benefits Standards Act regulations and you may be required to transfer a portion or the entire amount into a Locked In Retirement Account (LIRA), which must be used to provide retirement income.

As at December 31, 2020, you have accrued a Joint & Survivor monthly pension of **\$762.73** at age 65. This pension is payable for your lifetime, and on your death, continues to your spouse for their lifetime.

If you have a former spouse who has a right to a share of your pension, the information on this statement includes your former spouse's share. Therefore, your actual pension benefits are less than those shown above.

#### Beneficiary

If you have a spouse, your primary beneficiary may only be your spouse. For a definition of spouse, please visit our website. Our records indicate that JOHN SMITH is recorded as your spouse.

Should you wish to change or add a beneficiary, you must do this in Workday. For more information and a link to the Workday Knowledge base article on how to change beneficiaries, please visit our website at [staff.pensions.ubc.ca/life-events/designating-your-beneficiary](http://staff.pensions.ubc.ca/life-events/designating-your-beneficiary).



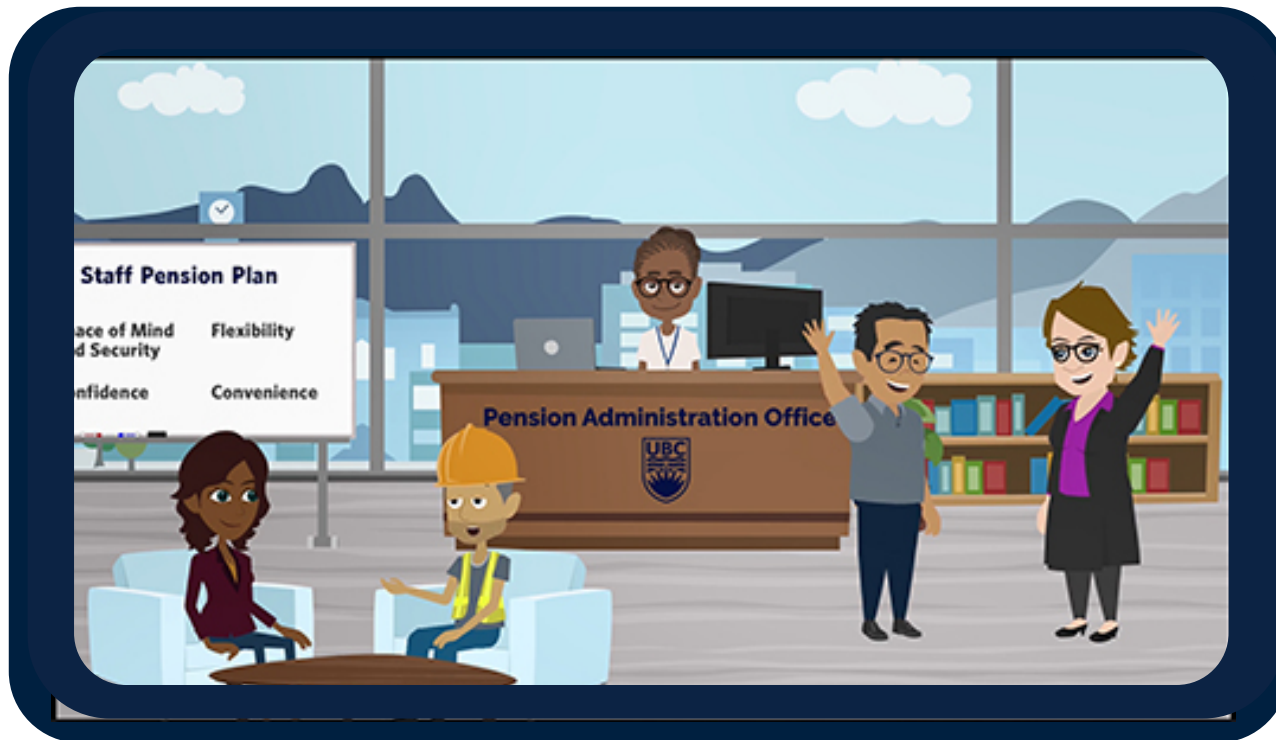
# Key Takeaways

- Plan is well-funded and remained resilient through a very tumultuous year
- Our commitment to you
  - To manage the Plan for long term
  - Keep basic pension secure and provide the indexing the Plan can afford
- Peace of mind that your pension is in good hands



# Keeping Informed

- Annual pension statement
- *SPP Update* and *SPP Pensioner* newsletters





# Keeping Informed

- Annual Report
- SPP website: [staff.pensions.ubc.ca](http://staff.pensions.ubc.ca)
- Understanding your Staff Pension Plan Workshops
- Retirement Information Sessions
- Get Educated Sessions
- myPension - secure member website: [my.pensions.ubc.ca](http://my.pensions.ubc.ca)



# Member Services

- Member Services team is available Monday to Friday, 8:30 am to 4:30 pm
- Dedicated Member Services representative to assist you based on the first letter of your last name
- Contact information at [staff.pensions.ubc.ca](http://staff.pensions.ubc.ca) under **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





**THANK YOU FOR ATTENDING OUR  
2021 UPDATE FOR THE UBC STAFF  
PENSION PLAN**

