

# 2022 UPDATE FOR THE UBC STAFF PENSION PLAN

ORLA COUSINEAU, EXECUTIVE DIRECTOR, PENSIONS  
JUNE 2022



Celebrating  
**50** Years

# Agenda

- Celebrating 50 Years
- Membership and Financial Highlights
- Investments
- Annual Statement
- Key Takeaways
- Keeping Informed
- Member Services
- Questions



# Celebrating 50 Years

- The Plan turned 50 on January 1, 2022
- Our journey has been forward thinking and focused on:
  - Enhancing benefit security
  - Long-term sustainability of the Plan
  - Ensuring the Plan is equitable for all members
- Read about the Plan's key milestones in the 2021 Annual Report available on the Plan website



# Membership Highlights

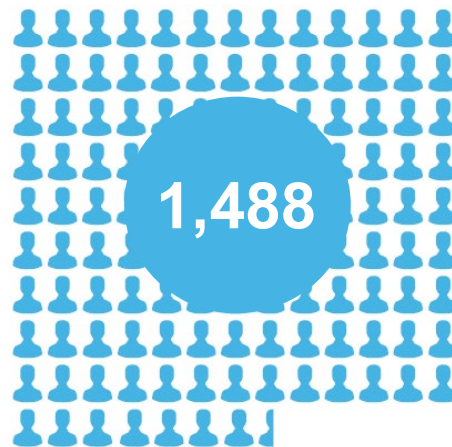


Ratio of active to retired members



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

New enrolments in 2021



# Financial Highlights

Total Plan Assets  
**\$2.4 B**

Total Pensions Paid in 2021  
**\$47 M**

Contributions into the Plan  
**\$110 M**

**\$45 M** Employee Contributions

**\$65 M** Employer Contributions



**7%**

Increase from 2020



# 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

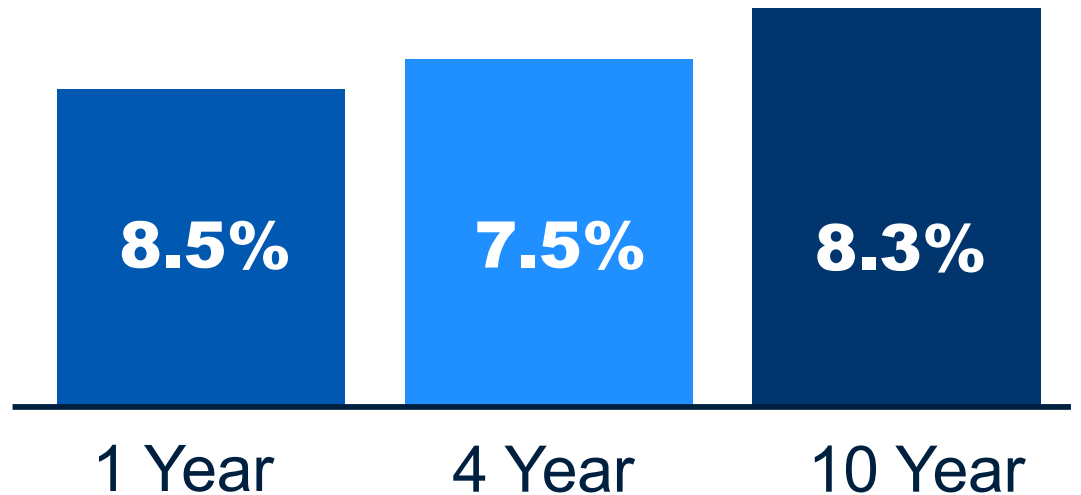
Well-Funded

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
- Portfolio is a mix of public and private investments
- Generated a strong total return in 2021
- SPP continues to be well-funded



# SPP Asset Mix as at December 31, 2021

Asset Class	Actual	Long-Term Policy
Cash & Cash Equivalents	1.2%	1.0%
Long-Term Fixed Income	21.4%	19.0%
Infrastructure Debt	9.2%	10.0%
Mortgages	5.0%	5.0%
Private Debt	3.9%	7.5%
<b>TOTAL FIXED INCOME</b>	<b>40.7%</b>	<b>42.5%</b>
Canadian Equities	7.4%	7.5%
Global Equities	18.5%	15.0%
Emerging Equities	7.3%	7.5%
<b>TOTAL EQUITIES</b>	<b>33.2%</b>	<b>30.0%</b>
Private Equity	3.7%	5.0%
Real Estate	11.1%	10.0%
Infrastructure Equity	11.3%	12.5%
<b>TOTAL ALTERNATIVES</b>	<b>26.1%</b>	<b>27.5%</b>



# Responsible Investing

- Responsible investing is an important 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

*Signatory of:*



# Responsible Investing: Our Journey So Far

July  
2020

SPP joins the United Nations Principles for Responsible Investing, a leading organization promoting responsible investing principles

December  
2020

Responsible Investing Policy established

December  
2021

ESG scoring framework and assessment of all the SPP external investment managers. Scoring will be updated on an annual basis.

February  
2020

- Responsible Investing education sessions for the SPP Board

September  
2020

Began regular measurement of SPP Portfolio Carbon Emission

April  
2021

- Began disclosing public equity holdings on UBC IMANT's website
- Guidelines established outlining UBC IMANT's approach to engagement of and influence on the SPP's external investment managers



# Responsible Investing

- Board is committed to responsible investing, including climate change related risk
- UBC IMANT has embraced a holistic approach
  - Active ownership and careful manager selection
- Have measured the carbon footprint of the SPP portfolio
- Climate change risk will be a focus for 2022
- Will be open and transparent about our responsible investing activities



# Annual Pension Statement

- If you were an active or deferred member of the Plan on December 31, 2021, you should have received your statement
- Pension shown is based on pensionable earnings and service at December 31, 2021
- 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, 2021
- If you have a spouse, the amount shown is based on a pension that continues to your spouse on your death



# myPension

- Secure website where you can view your personal pension information
- For retirement planning, use myPension to run your own pension estimate. The estimate will include pensionable service after December 31, 2021 to the date you choose as your retirement date



# Guide to understanding your Annual Pension Statement

## SPP 2021 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@hr.ubc.ca  
staff.pensions.ubc.ca

### ANNUAL STATEMENT FOR ACTIVE MEMBERS

From January 1, 2021 to December 31, 2021

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

UBC ID: 1234567  
Member Date of Birth: May 20, 1980  
Spouse Date of Birth: June 10, 1975  
Plan Entry Date: August 1, 2018  
Earliest Retirement: December 1, 2035  
Normal Retirement: December 1, 2045  
Latest Retirement: December 1, 2051

#### Contributions & Pensionable Service

Your Contributions			Pensionable Service		
Total as at January 1, 2021	Made during 2021	Interest Earned during 2021	Total as at December 31, 2021	Accrued during 2021	Total as at December 31, 2021
\$20,974.09	\$8,657.98	\$177.95	\$29,810.02	11.00 months	3.33 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, 2021, you have accrued a Joint & Survivor monthly pension of **\$648.87** 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).





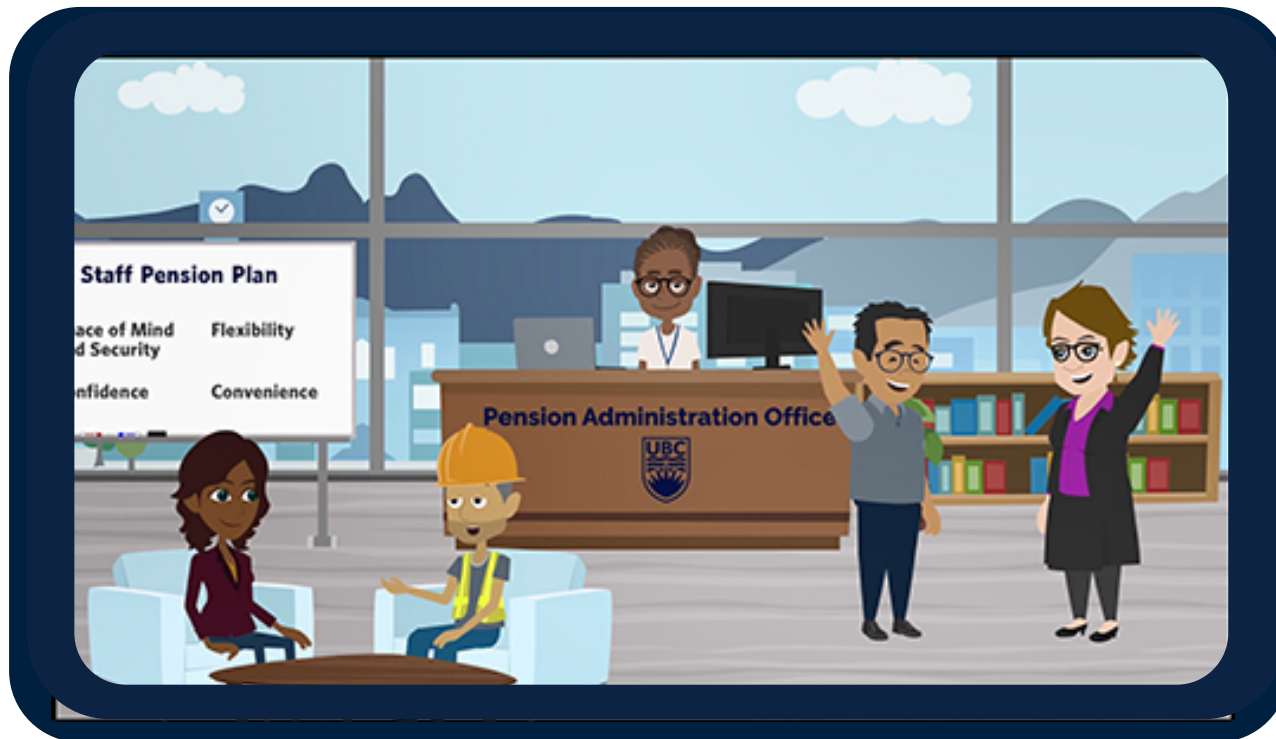
# Key Takeaways

- Plan is well-funded and remained resilient through the last 2 years
- 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 - [my.pensions.ubc.ca](http://my.pensions.ubc.ca)



# Member Services

*Our goal is to make it easy to work with us and for you to receive the support you need*

- 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**

*We continue to offer members the choice of in person or virtual*



# 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 2022 UPDATE FOR THE  
UBC STAFF PENSION PLAN**

