



**Governance Manual for the  
Municipal Employees' Pension Commission**

**October 20, 2023**

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# I. Mandate and Roles

## Section 1 – Background

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### 1.1 Governance

Pension plan governance refers to the roles and responsibilities of the parties involved in the administration of a pension plan to fulfill their fiduciary obligations. In general, good pension plan governance promotes the timely and cost-effective delivery of benefits and promotes the administration of the plan in the best interests of all plan members and beneficiaries. Good governance requires appropriate control mechanisms that encourage sound decision-making, proper and timely execution, and regular review and assessment.

As the trustee of the Municipal Employees’ Pension Plan (the Plan), the Municipal Employees’ Pension Commission (the Commission) has the responsibility to ensure that the Plan is well managed. Good governance is essential in order for the Commission to fulfil its fiduciary responsibilities to Plan members. The Commission recognizes the need to take a systematic, coherent and transparent approach to governing the Plan. As such, the Commission has developed a comprehensive governance manual in order to document the governance process.

As part of the ongoing articulation and implementation of the governance principles contained in this governance manual, the governance process will be reviewed at least annually and modified as required.

## 1.2 History of the Municipal Employees' Pension Plan

The Municipal Employees' Pension Plan was created in 1973. However, its history dates back more than 60 years.

The Plan's origins date back to 1930, when a plan was initiated to provide superannuation benefits for Secretary Treasurers of Rural Municipalities. *The Rural Municipal Secretary Treasurers Superannuation Act* was formally adopted by the Legislative Assembly in 1941.

This Act provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- The president and vice-president of the Saskatchewan Association of Rural Municipalities; and
- The president and secretary treasurer of the Rural Municipal Secretary Treasurers Association.

During the 1940's, the Saskatchewan Urban Municipalities Association and the Saskatchewan School Trustees' Association began work to create a superannuation plan for their employees. *The Urban Employees Superannuation Act* was formally adopted by the Legislative Assembly in 1949.

*The Urban Employees Superannuation Act* provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- A member from each of the Saskatchewan Urban Municipalities Association and the Saskatchewan School Trustees Association; and
- A member appointed by the urban employees and the school unit employees.

The two plans were amalgamated in 1959 to form the Municipal Employees' Superannuation Plan. *The Municipal Employees' Superannuation Act* provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- A member appointed by the Saskatchewan Urban Municipalities Association;
- A member appointed by the Saskatchewan School Trustees Association;
- A member appointed by each of the urban employees, the school unit employees and the employees of rural telephone companies;
- A member appointed by the Saskatchewan Association of Rural Municipalities;
- A member appointed by the Rural Municipal Secretary Treasurers' Association; and



- A member appointed by the Saskatchewan Association of Rural Telephone Companies.

The Plan was converted to a defined benefit plan in 1973. *The Municipal Employees' Superannuation Act, 1973* constituted the membership of the Commission in exactly the same manner as the Administrative Board under *The Municipal Employees' Superannuation Act*.

*The Municipal Employees' Superannuation Act, 1973* was amended in 1977 to add a member appointed by designated police officers and firefighters to the Commission, appointed by the Minister of Finance.

A further amendment in 1979 removed the employer and employee appointees of rural telephone companies from the Commission and added a member appointed by community colleges.

The Act was amended again in 1997 to replace the appointee of urban employees with a member appointed by the Urban Municipal Administrators' Association.

Further amendments were made in 2003 and again in 2018 as the result of reports commissioned by the Ministry of Finance. The composition of the Commission changed to ten members in 2003 and expanded to 12 members in 2018, consisting of appointees from the following groups:

#### **Employer Appointees**

- A member appointed by Saskatchewan Urban Municipalities Association;
- Two members appointed by the Saskatchewan School Boards Association;
- A member appointed by the Saskatchewan Association of Rural Municipalities;
- A member jointly appointed by the employers that employ designated Plan members; and
- A member jointly appointed by the regional libraries and regional colleges.

#### **Employee Appointees**

- A member appointed by the Rural Municipal Administrators' Association of Saskatchewan;
- A member appointed by the Saskatchewan Association of School Business Officials;
- A member appointed by the Urban Municipal Administrators Association of Saskatchewan;

- A member appointed by the Saskatchewan locals of the Canadian Union of Public Employees (CUPE) that represent employees who are members of the Plan;
- A member jointly appointed by the Saskatchewan locals of trade unions that represent employees who are members of the Plan other than CUPE members; and
- A member jointly appointed by the associations that represent firefighters and police officers who are members of the Plan.

### **1.3 Responsibilities of Minister of Finance**

The Plan is governed by *The Municipal Employees' Pension Act and Regulations*. (Please refer to section 7 – Operation of Commission in the Governance Manual).

In order to fulfill their administrative responsibilities under the Act, the Minister of Finance:

- Recommends to Cabinet amendments to the Act, as required or deemed necessary;
- Oversees the passage of amendments to the Act;
- Oversees the passage of Regulations to the Act and amendments thereto;
- Answers questions in the Legislative Assembly of Saskatchewan regarding the Plan; and
- Causes a review of the composition of the Commission every five years.

### **1.4 Fiduciary Responsibilities of Commission**

In order for the Commission to fulfill its primary fiduciary responsibility to all members and beneficiaries the Commission must:

- Act solely in the best interest of Plan members and beneficiaries;
- Treat members and beneficiaries impartially;
- Act with the care, skill, and diligence of a prudent person;
- Interpret the Plan terms fairly, impartially, and in good faith;
- Prevent personal interests from conflicting with those of the Plan; and
- Within the scope of its authority, ensure that members and beneficiaries receive the benefits promised.

In addition to its primary fiduciary responsibilities, the Commission also bears responsibilities to the following:

- The Minister of Finance;
- Participating employers;
- Labour unions representing employees of participating employers;

- Groups and organizations who have appointed members to the Commission;
- Organizations and individuals employed by the Commission to provide services to the Commission; and
- The Legislative Assembly of Saskatchewan.

In order to execute the Commission's fiduciary responsibilities under the Plan, the Commission shall administer the Act, as stated in Section 7(2) of the Act.

The Commission is granted certain powers and protection under Section 7.1 of the Act. Such powers include charging a fee for services provided by the Commission, establishing policies for the investment of assets of the Municipal Employees' Pension Fund (the Fund), and for the calculation and allocation of revenues accruing to the Fund.

The Commission may determine the amount of any allowance payable pursuant to the Act; suspend or withhold payment from any person who is indebted to the Fund or is not entitled to a payment from the Fund; and settle or compromise any debt or obligation arising out of the administration of the Plan or Fund.

Section 7.1 of the Act also contains a "hold harmless" provision whereby the Commission, or a member of the Commission, will not be held responsible for any loss or damage suffered by any person, should such loss or damage be the result of any action or inaction committed in good faith pursuant to or in the exercise of any power conferred or duty imposed by the Act or Regulations.

Section 7.01 also provides restriction on liability for individual Commission members regarding decisions or actions taken at a meeting if they are not present for a meeting or if at the meeting, did not vote in favour of the decision and requests that his/her dissent is entered into the minutes of the meeting.

Section 13 of the Act confers trust obligations upon the Commission. All moneys in the Fund, or received by the Fund at a later date, shall be paid to and held in trust by the Commission, and shall be invested by the Commission in securities authorized under *The Pension Benefits Act, 1992*.

Annually, the Commission shall submit a financial report to the Minister of Finance detailing the investment activities of the Fund, which shall include a summary of the securities that the Fund is invested in, and the amount invested in each kind of security at the end of each year.

The Commission may:

- Dispose of assets, in which the Fund has been invested, in any manner and on any terms that it considers appropriate;
- Enter into agreements;
- Engage the services or retain any technical, professional, or other advisor, specialist, or consultant; or
- Do any other things that it considers necessary for the purposes of managing, investing, or disposing of the assets of the Fund.

The costs incurred and other expenses related to managing, investing, or disposing of the assets of the Fund are a charge on and payable out of the Fund.

Section 64 of the Act states that the decision of the Commission shall be final should questions arise as to the application, interpretation or intent of the Act or Regulations.

The Commission is responsible for the effective and timely operation and management of the Plan. To discharge this obligation, the Commission has delegated specific functions to the Assistant Deputy Minister in accordance with Section 9 of the Act as well as the following service providers: Plan Administrator; Actuary; Legal Counsel; Auditor; Strategic Investment Consultant; Private Markets Consultant; Investment Managers; and Custodian.

## **1.5 Participating Employers**

Under the Act and Regulations, employees of the following employers are currently eligible for membership in the Plan:

- Every municipality and the northern settlement of Uranium City;
- The board of education as defined in *The Education Act, 1995*;
- The Conseil Scolaire as defined in *The Education Act, 1995*;
- The board of every regional library as defined in *The Public Libraries Act, 1996*;
- The Saskatchewan School Boards Association;
- The Saskatchewan Association of Rural Municipalities;
- The Saskatchewan Municipal Hail Insurance Association;
- The Saskatchewan Urban Municipalities Association; and
- Any other groups or organizations that may be designated by regulation of the Lieutenant Governor in Council.

## 1.6 History

Approval date: September 1, 2006; November 26, 2010;  
November 25, 2011; November 26, 2014;  
November 25, 2016; and November 19, 2021

Last review: October 20, 2023

Next scheduled review: October 2024

# I. Mandate and Roles

## Section 2 – Mission Statement and Goals

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### 2.1 Mission

The Municipal Employees’ Pension Commission’s (the Commission’s) mission is to provide secure and predictable retirement income to members of the Municipal Employees’ Pension Plan (MEPP, the Plan).

### 2.2 Purpose

The Plan’s primary purpose is to provide retirement income and pension services to members.

### 2.3 Goals

- *Customer Service Excellence:* The Commission is determined to identify, assess, and implement opportunities where appropriate that add value to the communication and service provided to Plan members.
- *Plan Integrity:* The Commission is committed to achieving the needs of Plan members and employers through affordable, sustainable Plan benefits and services.
- *Governance Leadership:* The Commission strives to demonstrate leading practices in pension plan governance.

- *Transparent Accountability:* The Commission informs the Plan’s members and stakeholders about its strategy, operations and values, as well as how Plan performance is measured, managed, and reported.

## 2.4 Values

- *Accountability:* We are accountable to the members and the stakeholders of MEPP for our administration of the Plan. We operate in a transparent manner.
- *Professionalism:* We strive for excellence in our administration of MEPP by being diligent and making informed decisions.
- *Integrity:* As trustees of the Municipal Employees’ Pension Fund, we hold ourselves to the highest standards of integrity. We strive to act always with honesty and in a manner worthy of the trust our members have placed in us.
- *Fairness:* We administer the MEPP in the best interests of all members of the Plan. We strive to ensure that our decisions are equitable for all Plan members by adhering to decision-making that is fair and open-minded. Our actions are courteous, considerate and responsive.

## 2.5 History

Approval Date: September 1, 2006; September 21, 2007; October 16, 2009; November 21, 2014; and November 19, 2021

Last review: October 20, 2023

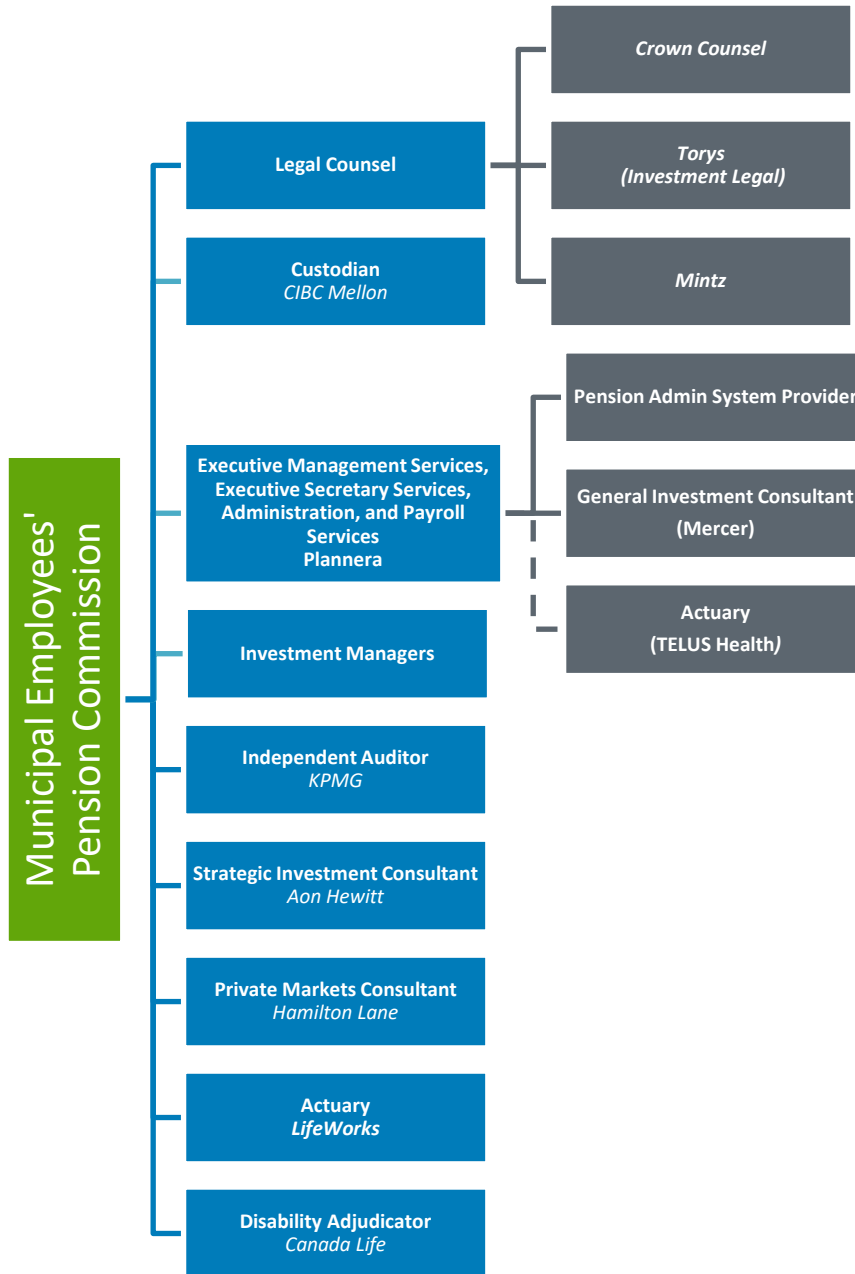
Next Review: October 2024

# I. Mandate and Roles

## Section 3 – Organizational Chart of Plan’s Administration

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### 3.1 Reporting Structure to Commission





**3.1 Reporting Structure to Commission Continued**

- Crown Counsel provides advice on legal matters, legislative interpretation, and drafts plan amendments. Mintz LLP and Torys LLP, also provide legal advice.
- CIBC Mellon provides custody of assets, settlement of investment transactions, and SIP&P compliance monitoring.
- Investment managers provide management of investments in compliance with the SIP&P, transaction reports, and performance analysis of managed assets. A list of current Investment Managers is available in the most recent Investment Monitoring report.
- Plannera provides executive management, executive secretary, administrative, and payroll services to the Commission.
- KPMG provides audit services to the Commission.
- Aon Solutions Canada Inc. is the Commission’s strategic investment consultant.
- Hamilton Lane Advisors LLC provides the Commission with private markets consulting services.
- TELUS Health is the Commission’s Actuary.
- The Canada Life Assurance Company provides disability adjudication services for the Commission.

Contracts are set as per the Acquisition and Retention of Services Policy (Section 8 of this document).

Dates when contracts are due to be reviewed or tendered can be found in the Periodic Checklist. The Periodic Checklist is reported to the Commission twice per year.

**3.2 History**

Approval date:	October 21, 2005; September 21, 2007; November 21, 2008; November 26, 2010; November 25, 2011; November 15, 2013; March 16, 2018; June 19, 2020; and November 19, 2021
Last review:	October 20, 2023
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# I. Mandate and Roles

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### 4.1 Commission Responsibilities

The Commission has adopted a Charter of Expectations, which sets out the specific responsibilities of the Commission and the individual roles of the members of the Commission.

The Charter also stipulates the personal and professional characteristics of the members of the Commission.

The Commission is explicitly responsible for the effective and timely operation and management of the Municipal Employees’ Pension Plan (MEPP, the Plan). To discharge this obligation, the Commission assumes responsibility in the following areas:

#### Plan Design:

- Review the design of the Plan from time to time, recommend changes to the Plan when and/or where required, and implement changes to the Plan.
- Review marketplace statistics, imminent trends, and analysis, to ensure that the Plan design is competitive/comparable to similar trustee plans.

#### Compliance:

- Recommend changes to the Plan that arise from *The Pension Benefits Act, 1992* (the PBA) or are required by the *Income Tax Act (Canada)* (ITA).
- Ensure timely reporting to Canada Revenue Agency in accordance with the ITA.

- Ensure timely reporting to the Financial and Consumer Affairs Authority, in accordance with the PBA and *The Municipal Employees' Pension Act* (the Act).
- Monitor Statement of Investment Policies and Procedures compliance.
- Appoint an independent auditor, review performance, and terminate their services when necessary.
- Review reports from the auditor, determine appropriate action, and implement the recommendations contained therein (statutorily, the Provincial Auditor remains auditor of the plan).
- Monitor plan administration to ensure compliance with the Act.

**Administration:**

- Ensure the timely payment of benefit entitlements to plan members/beneficiaries.
- Monitor and review the performance of the Plannera Pensions & Benefits (Plannera) and other administration service providers.
- Make decisions resulting in an increase to the funding and operational costs of the Plan and any changes in the interim.
- Make decisions regarding the eligibility of an employer/employee to join the Plan.

**Communication:**

- Promote the communication, awareness, and understanding of the Plan among plan members.
- Ensure that statutory disclosure regulations are being met and exceeded for the benefit of plan members/beneficiaries.
- Ensure that all relevant information is provided to plan members/beneficiaries which affects their rights, benefits, and entitlements.

**Funding:**

- Review Plannera's co-ordination of the asset management of the Plan and make appropriate changes when necessary.
- Appoint an actuary, review performance on a periodic basis, and terminate their services when necessary.
- Approve the assumptions for actuarial valuations.
- Review and approve the actuarial valuation, at least triennially.
- Recommend changes to contribution levels required to fund the Plan.

### **Investment and Custody:**

- Approve the Statement of Investment Policies and Procedures and subsequent amendments;
- Appoint investment managers and terminate their services when necessary;
- Monitor the performance of the investment managers and the assets under their management;
- Appoint a Strategic Investment Consultant, a Private Markets Consultant, and a Custodian; review performance and terminate their services when necessary; and
- Review Planner's recommendations and determine appropriate action.

### **Governance:**

- Conduct a self-assessment review of the governance process on a periodic basis.
- Monitor and confirm the governance framework, and implement changes as deemed necessary.

### **Strategic Planning Process:**

- Develop, implement, and assess short- and long-term measurable directions and objectives.
- Monitor performance against adopted directions and objectives.
- Review and approve annual budget and operating plans, and monitor performance against those plans.
- Ensure to the extent possible, that necessary resources will be available to pursue strategies, establish priorities, and achieve objectives.
- An annual planning cycle will consist of:
  - A strategic planning session to set, review, or update the Commission's Strategic Business Plan, typically in April;
  - An annual work plan at the Commission's June meeting to set the pace and plan for the initiatives the Commission will look to accomplish over the next September through June meeting cycle; and
  - A comprehensive education plan at its September meeting to identify in-meeting education by service providers and other industry experts to assist the Commission in its preparation for upcoming decisions on the initiatives approved in its annual work plan.

**Risk Assessment:**

- Identify risks which would adversely or positively affect the operation of the Plan.
- Ensure that appropriate systems and actions are in place to manage such risks.
- Ensure that risk is formally considered and integrated into all decisions made.

**Integrity:**

- Ensure the integrity of the Plan's internal controls and information systems.
- Ensure ethical behavior of all participants involved in the administration of the Plan.

**Orientation/Ongoing Education:**

- Ensure the establishment and implementation of an appropriate, formal orientation program for new members of the Commission.
- Ensure that resources are available for an appropriate and practical ongoing education program for all members of the Commission.

**Commission Effectiveness:**

- Evaluate the effectiveness of the Commission in fulfilling its responsibilities on a periodic basis.
- Monitor the effectiveness and contribution of individual members of the Commission.

**4.2 Appointment of Assistant Deputy Minister and Senior Management**

By Order in Council, the Lieutenant Governor of Saskatchewan designates Plannera as MEPP's administrator. Plannera staffing is the responsibility of the Ministry of Finance (the Ministry) of the Government of Saskatchewan and as such:

**Senior Level Staffing:**

- Selection, appointment, evaluation, and if necessary, termination of the Assistant Deputy Minister of Plannera, is the sole jurisdiction of the Ministry.
- Succession planning, appointment, training, evaluation, and if necessary, termination of senior management at Plannera is the responsibility of the Assistant Deputy Minister of Plannera in conjunction with the Ministry.

While the Commission recognizes that senior level staffing is the sole jurisdiction of the Ministry, the Commission will send a letter to the Deputy Minister of Finance each time the position of Assistant Deputy Minister of Planner is being staffed, requesting input into the selection process.

A Planner Governance Committee was struck to make possible discussion amongst Planner, the Ministry, the Commission, and the Public Employees Pension Board regarding the mutually beneficial allocation of the resources of Planner with respect to the administration of MEPP and the Public Employees Pension Plan.

### **4.3 Commission Member Attributes**

To execute the Commission responsibilities, it is desirable that members of the Commission, collectively and/or individually, possess certain characteristics and traits:

#### **Integrity and Accountability:**

- Demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain accountable for their boardroom decisions.
- Act solely in the best interest of all plan members/beneficiaries, and are required to exercise the care, skill, and diligence of a prudent person in carrying out their duties.
- Members of the Commission must possess the qualities of integrity and accountability by being able to demonstrate they are individuals who conduct themselves at all times in accordance with the law as specified in section 12.5 of this Governance Manual – Ethical Standards – in the Commission’s Code of Conduct and Conflict of Interest Procedures.

#### **Informed Judgment:**

- Develop a depth of knowledge of pension related matters in order to understand and question the assumptions upon which the strategic and operational plans are based, and to form an independent judgment regarding the probability that such plans can be achieved.

**Financial Literacy:**

- An important function of the Commission is to monitor financial performance. Members of the Commission should have a high level of financial literacy. They should know how to read financial statements and reports, and understand appropriate terminology for the evaluation of investment performance.

**Actuarial Literacy:**

- The pension plan Actuary undertakes a vital role in determining the Plan's funding requirements. A significant function of the Commission is to review the recommendations and performance of the Actuary.
- Members of the Commission should possess a sound knowledge of actuarial principles. They should be familiar with the methodology, practices, and terminology in order to accurately evaluate actuarial assumptions and advice.

**Mature Confidence:**

- Members of the Commission who value Commission and team performance over individual performance, and who possess respect for others, facilitate superior Commission performance.
- Members of the Commission should demonstrate openness to the opinions of others, and the willingness to listen should rank as highly as the ability to communicate persuasively.
- Members of the Commission must approach others assertively, responsibly, and supportively, and be willing to raise difficult questions in a manner that encourages open discussion.

**4.4. Commission–Level Special Competencies****1. Pension funds:**

- Pension industry, including key risks, trends, and issues;
- Design, funding, and administration of defined benefit pension plans;
- Custody; and
- Regulatory requirements.

**2. Investment:**

- Investment management concepts (e.g., capital markets, asset mix, returns);
- Asset classes (e.g., equities, bonds, infrastructure, real estate);
- Investment portfolios (e.g., active versus passive management, pooled funds versus segregated portfolios, investment styles);

- International investing considerations, such as currency and political risk;
- Setting and monitoring investment policy and strategy;
- Derivatives;
- Investment performance reporting; and
- Trends and current issues.

3. Risk management:

- Enterprise risk management;
- Internal controls; and
- Trends and current issues.

4. Finance and accounting:

- Generally accepted accounting and financial statements;
- Audits; and
- Trends and current issues.

5. Actuarial:

- Generally accepted actuarial principles; and
- Methodology, practices and terminology.

6. Human resources/supplier management:

- Supplier selection and evaluation;
- Reliance on expert advice;
- Succession planning; and
- Trends and current issues.

7. Governance:

- Pension governance structures;
- Fiduciary duties
- Conflict of interest; and
- Trends and current issues.

8. Stakeholder relations:

- Government functioning;
- Public policy; and
- Trends and current issues.



## **4.5 Commission Member Responsibilities**

To discharge their collective obligations, individual Commission members assume responsibility in the following areas:

### **Duty of Due Diligence**

Members shall:

- Be informed of the Act and the associated Regulations, the Commission's Governance Manual, and the Commission's Policy Manual;
- Keep generally informed about issues that affect the Plan and about general trends in the sector in which the Plan operates;
- Develop a depth of knowledge of pension plan-related matters in order to understand and question the assumptions upon which operational plans are based; and
- Regularly attend Commission meetings and contribute to the work of the Commission.

### **Duty of Loyalty**

Members shall:

- Act with honesty and good faith in what they believe to be the best interests of the Plan;
- Maintain solidarity with fellow Commission members in support of decisions that have been made in good faith in a legally constituted meeting by members in reasonably full possession of the facts; and
- Exercise vigilance for, and declare any apparent or real personal conflict of interest, in accordance with the Commission's conflict of interest procedures.

### **Duty of Care**

Members shall:

- Exercise the same degree of care, diligence, and skill that a reasonably prudent person would show in comparable circumstances;
- Demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on and remain accountable for their boardroom decisions;
- Offer their personal perspective and opinions on issues that are the subject of Commission discussion and decision;
- Demonstrate openness to the opinions of others; the willingness to listen should rank as highly as the ability to communicate persuasively;
- Voice, clearly and explicitly at the time a decision is being made, any opposition to a decision being considered by the Commission;

- Ask that the Commission review any decision made if they have reasonable grounds to believe that the Commission acted without full information or in a manner inconsistent with its trusteeship responsibilities; and
- Work co-operatively with the staff of Plannera, respecting the distinction between the roles of the Commission and staff that are consistent with generally established principles of governance.

#### **4.6 Chair Responsibilities and Duties**

##### **Primary Responsibilities:**

- Consult with the Commission regarding the frequency and dates of regular meetings;
- Call special meetings of the Commission whenever the Chair considers it necessary;
- Cancel any meeting of the Commission if the circumstances require;
- Preside over the meetings of the Commission;
- Approve the agenda for Commission meetings;
- Approve draft minutes of Commission meetings for distribution to the Commission;
- Approve/release the communication of Commission business;
- Receive and table before the Commission, notices of conflict of interest;
- In consultation with the Commission, determine the appropriate course of action regarding the resolution of conflicts of interest;
- Receive and table before the Commission, circumstances that may constitute a perception of bias;
- In consultation with the Commission, determine the appropriate course of action regarding the resolution of situations of bias;
- Authorize individuals to represent the Commission at meetings of the Public Accounts Committee or attend if required;
- Act as spokesperson and representative of the Commission to management;
- Authorize individuals to speak on behalf of the Commission with respect to outside parties;
- Communicate recommended amendments to the Plan to the Minister of Finance;
- In conjunction with the other members of the Commission ensure that the contract with Plannera is appropriately carried out;
- Authorize or approve the timely and appropriate execution of Commission business;
- Provide a verbal report of Commission business undertaken by the Chair at each Commission meeting;
- Ensure strategic planning is carried out;
- Be available for consultation with management when required;

- Authorize the signing of contracts for services acquired by the Commission that are in excess of \$24,999; and
- Authorize the immediate termination of investment managers.

**Conduct of Meetings:**

- The position of Chair requires an individual who is able to conduct Commission meetings effectively with particular focus on the following skills:
  - The ability to employ alternative ways of looking at issues or problems. This individual will be able to take complex information and simplify it to provide clear and simple observations, explanations, and/or solutions.
  - The ability to effectively manage the Commission and its performance in order to maximize the productive use of Commission members’ time and efforts.
  - The ability to promote a team environment and act to encourage a friendly climate, good morale, and co-operation between team members. This person will resolve team conflicts.

**4.7 History**

Approval date:	October 21, 2005; September 1, 2006; November 16, 2007; November 21, 2008; October 16, 2009; November 25, 2011; November 15, 2013; March 16, 2018; June 19, 2020; June 24, 2021; September 17, 2021; November 19, 2021 and April 22, 2022
Last review:	October 20, 2022
Next scheduled review:	October 2023

**I. Mandate and Roles**

**Section 5 – Responsibilities and Accountabilities**

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**5.1 Introduction**

In order to ensure the responsibilities listed in the Charter of Expectations (Section 4 of this Governance Manual) are being carried out, it is necessary for the Municipal Employees’ Pension Commission (the Commission) to delegate some of its authority to a number of service providers. This section is in alignment with the Canadian Association of Pension Supervisory Authorities (CAPSA) pension plan governance principles in general, and with the following of those principles, in particular:

- the plan administrator should clearly describe and document the roles, responsibilities, and accountabilities of all participants in the pension plan governance process;
- the plan administrator should establish and document performance measures to monitor the performance in the governance and administration of the plan;

- the plan administrator should establish and document a framework and ongoing processes, appropriate to the pension plan, to manage the plan’s risks; and
- the plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.

The chart on the following pages is designed to provide a reference guide to Commission members as to how the roles and responsibilities have been delegated by the Commission in order to fulfill its Charter of Expectations.

An explanation of the status of the reporting of the activities outlined in Section 4 can be found in the Periodic Checklist.

For each provider, the services are either statutorily prescribed or set out in a contractual arrangement. The table below documents the nature of the relationship the Commission has with each service provider.

<i>Service</i>	<i>Provider</i>	<i>Contractual Documentation</i>
Administration	Plannera Pensions & Benefits (Plannera)	Statutory/ Administration Agreement
Legal (primary)	Ministry of Justice	Statutory
Independent Legal	Mintz	Ad hoc basis
Investment Legal	Torys LLP	Contract
Actuary	TELUS Health	Contract
Custodian	CIBC Mellon	Contract
Auditor	KPMG	Contract
Employers	Employers	Statutory
Disability Adjudicator	The Canada Life Assurance Company	Contract
Strategic Investment Consultant	Aon Solutions Canada Inc.	Contract
Private Markets Consultant	Hamilton Lane Advisors LLC	Contract

## 5.2 Plan Design

*Review the design of the Plan from time to time, recommend changes to the Plan when and/or where required and implement changes to the Plan*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Perform review; provide recommendations; report on administrative issues; plan amendments re: legislative changes; communication strategies development	Yes – must meet with Commission satisfaction and comply with PBA/ITA	Commission meetings; Plannera Admin Reports
Strategic Investment Consultant	Review Plan Design/Recommend Plan Amendments	Yes – Must meet with Commission satisfaction and comply with PBA/ITA	Commission meetings
Legal – Ministry of Justice	Research legal issues; draft plan amendments	Yes – must comply with PBA/ITA	Commission meetings
Independent Legal	Research legal issues; provide advice	Yes – must comply with MEPA	Commission meetings
Actuary	Actuarial advice; financial implications	Yes – Annual Evaluation of services	Commission meetings

*Review marketplace statistics, imminent trends, and analysis, to ensure Plan design is competitive and comparable to similar trustee plans*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Perform review	Yes – Executive Management Services Evaluation	Commission meetings; Plannera Admin Reports

## 5.3 Compliance

*Recommend changes to the Plan that arise from the PBA or are required by the ITA*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Monitor Compliance with PBA; ITA	Yes – must comply with PBA/ITA	Plannera Admin Reports
Legal – Ministry of Justice	Research legal issues; draft plan amendments	Yes – must comply with PBA/ITA	Commission meetings

### 5.3 Compliance (continued)

***Ensure timely reporting to CRA in accordance with the ITA***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Monitor compliance with PBA; ITA	Yes – must comply with PBA; ITA	Plannera Admin Reports

***Ensure timely reporting to the Financial and Consumer Affairs Authority, in accordance with the PBA and The Municipal Employees’ Pension Act***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Monitor compliance with PBA; ITA	Yes – must comply with PBA; ITA	Plannera Admin Reports

***Monitor the Statement of Investment Policies and Procedures compliance reporting from the Investment Managers and the Custodian***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Monitor compliance with SIP&P	Yes – task verification	Plannera Admin Reports
Custodian	Monitor SIP&P compliance	Yes – SIP&P	Monthly Reports to Plannera ; Reported by Plannera at Commission meetings

***Appoint an auditor, review performance, and terminate their services when necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

### 5.3 Compliance (continued)

*Review reports from the auditor, determine appropriate action, and implement the recommendations contained therein (statutorily, the Provincial Auditor remains as the auditor of the Plan)*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Review reports, provide recommendations and implementation plan; execute implementation plan	Yes – Executive Management Services Evaluation	Annual Review
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports
Provincial Auditor	Audit reports	N/A – Statutory review of audits	Annual Reports

*Monitor plan administration to ensure compliance with The Municipal Employees’ Pension Act*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Maintenance of member accounts; benefit calculations and payments; plan amendments regarding legislative changes; payroll; Orders in Council	Yes – MEPA Compliance	Plannera Admin Reports
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Audit Report
Provincial Auditor	Audit reports	N/A – Statutory review of audits	Annual Reports



## 5.4 Administration

*Ensure the timely payment of benefit entitlements to plan members; beneficiaries*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Maintain member accounts; benefit calculations, payments; payroll; customer service	Yes – Schedule A to Administration Agreement, MEPA	Plannera Admin Reports
Actuary	Pension Administration System verification	Letters Certifying Calculations	Annual Performance Evaluation
Employers	Member enrolment and termination; collecting and remitting contributions; liaise between members and Plannera	N/A	Results of activity tracked in Plannera Admin Reports
Disability Adjudicator	Disability adjudication services	Task verification	Annual Renewal

*Monitor and review the performance of Plannera and other administration Service Providers*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Commission	Evaluate performance of Plannera	Yes – Executive Management Services Evaluation	Shared with Plannera and PEPB
Plannera	Carry out Request for Proposal process; negotiate service provider contracts and evaluate service providers and self-report performance	Yes – Executive Management Services Evaluation	Annual Evaluations, Plannera Admin Reports

#### 5.4 Administration (continued)

***Make decisions resulting in an increase to the funding and operational costs of the Plan and any changes in the interim on an incremental basis***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Make recommendations regarding operational costs	Yes – Executive Management Services Evaluation	Plannera Admin Reports
Actuary	Actuarial advice; financial implications	No – must meet with Commission/ Plannera satisfaction	N/A

***Make decisions regarding the eligibility of an employer; employee to join the Plan***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide research; recommendations	Yes – must comply with MEPA and Commission Policy	Plannera Admin Reports
Independent Legal	Research legal issues; provide advice	Yes – must comply with MEPA and Commission Policy	Commission Meetings
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with MEPA and Commission Policy	Commission Meetings

#### 5.5 Communication

***Promote communication, awareness and understanding of the Plan among plan members***

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Develop and distribute communication material and strategies; education and training seminars; website development and maintenance	Yes – Executive Management Services Evaluation	Plannera Admin Reports Commission meetings
Employers	Inform employees about the Plan and Plan changes	N/A	N/A

***Ensure that statutory disclosure regulations are being met and exceeded for the benefit of plan members; beneficiaries***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Perform disclosure, file documents with regulatory authorities	Yes – must comply with PBA/ITA	Plannera Admin Reports
Independent Legal	Research legal issues; provide advice	Yes – must comply with PBA/ITA	Commission Meetings
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with PBA/ITA	Commission Meetings

***Ensure that all relevant information is provided to plan members; beneficiaries which affect their rights, benefits, and entitlements***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Provide research; recommendations	Yes – must comply with PBA/ITA	Plannera Admin Reports
Legal – Ministry of Justice	Research legal issues; provide advice	Yes – must comply with MEPA	Commission Meetings
Employers	Inform employees about the Plan and Plan changes	N/A	N/A

## **5.6 Funding**

***Review Plannera’s co-ordination of the asset management of the Plan and make appropriate changes, if necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Cash management, fund rebalancing	Yes – task verification	Plannera Admin Reports

***Appoint Actuary, review performance on a periodic basis and terminate their services when necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Plannera Admin Report, Annual Evaluation, Commission Meetings

## 5.6 Funding (continued)

### *Approve the assumptions for actuarial valuations*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Review assumptions, data and gain/loss analysis for accuracy/reasonability	Yes – Executive Management Services Evaluation	Commission Meetings
Actuary	Provide assumptions and recommendation	Yes – Evaluation of Actuary	No Less Than Triennial Valuations
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports
Provincial Auditor	Audit reports	N/A	Annual Reports

### *Review and approve the actuarial valuation, at least triennially*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Review assumptions, data and gain/loss analysis for accuracy/reasonability	Yes – Executive Management Services Evaluation	Plannera Admin Report
Actuary	Funding and solvency valuations	Yes – Evaluation of Actuary	Commission meeting annually, filing at least triennially

### *Recommend changes to contribution levels required to fund the Plan*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings
Actuary	Funding and solvency valuations; calculation of contribution rates necessary to fund the Plan	Yes – Evaluation of Actuary	As required, Commission meetings

## 5.7 Investment and Custody

### *Appoint Investment Managers and terminate their services when necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Carry out Request for Proposal process; recommend retention and termination of investment managers; facilitate implementation and execution of service provider contracts; evaluate performance of investment managers	Yes – Executive Management Services Evaluation	Annual Review

### *Review the performance of the Investment Managers and the assets under their management*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Co-ordinate monitoring of investment manager performance and compliance with SIP&P with the general investment consultant	Yes – Executive Management Services Evaluation	Annual Review

### *Recommend Strategic Investment Consultant (SIC), review performance, and terminate their services when necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

**5.7 Investment and Custody (continued)**

***Collaborate with Commission and its SIC, review recommendations of the SIC, and determine the implementation of decisions made by Commission and its SIC***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Collaborate with Commission and SIC on decisions, review SIC recommendations for completeness, and determine implementation.	Yes – Executive Management Services Evaluation	Annual Review

***Appoint a Custodian, review performance, and terminate their services when necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Carry out Request for Proposal process, negotiate service provider contracts and evaluate their performance	Yes – Executive Management Services Evaluation	Annual Review

***Review the Statement of Investment Policies and Procedures and subsequent amendments that are deemed necessary***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera , with its General Investment Consultant	Provide analysis of SIP&P, recommendations for changes to SIP&P	Yes – Executive Management Services Evaluation	Annual Review; Reported at Commission Meetings

***Conduct a review of the investment asset mix on a periodic basis***

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Strategic Investment Consultant	Facilitate the Commission’s review of asset mix as necessary	Yes – performance of Consultant reviewed pursuant to Consulting Agreement	Commission Meetings

## 5.7 Investment and Custody (continued)

### *Conduct a review of private markets contracts*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Investment Legal	Independent due diligence and legal review of private markets investment contracts	No – must meet Commission satisfaction	Commission Meetings

## 5.8 Governance

### *Conduct a self-assessment review of the governance process on a periodic basis*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Monitor, confirm, and/or amend governance framework	Self-assessment	Annually
Legal – Ministry of Justice	Research legal issues; provide advice	No – must meet Commission satisfaction	Commission Meetings
Independent Legal	Research legal issues; provide advice	No – must meet Commission satisfaction	Case by Case Basis

### *Monitor and confirm the governance framework, and implement changes as deemed necessary*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Monitor, confirm, and/or amend governance framework	Self-assessment	Annually
Legal – Ministry of Justice	Research legal issues; provide advice	No – must meet Commission satisfaction	Commission Meetings
Independent Legal	Research legal issues; provide advice	No – must meet Commission satisfaction	Case by Case Basis

## 5.9 Strategic Planning Process

*Develop, implement, and assess short and long-term measurable directions and objectives*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	Yes – Executive Management Services Evaluation	Annually, Commission Meetings

*Monitor performance against adopted directions and objectives*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings

*Review and approve annual budget and operating plans, and monitor performance against those plans*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings Annual Review

## 5.10 Risk Management

*Ensure, to the extent possible, that necessary resources will be available to pursue strategies, establish priorities, and achieve objectives*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	Yes – Executive Management Services Evaluation	Commission Meetings Plannera Admin Reports



**Identify business risks which would adversely or positively affect the operation of the Plan**

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Provide recommendations, facilitate risk process; report progress of risk management initiatives	Yes – Executive Management Services Evaluation	As required; annual report; annual risk management plan

**Ensure that appropriate systems and actions are in place to manage such risks**

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Provide recommendations and report progress of risk management initiatives	Yes – Executive Management Services Evaluation	As required; annual risk management plan

**5.11 Integrity**

**Ensure the integrity of the Plan’s internal controls and information systems**

<b>SERVICE PROVIDERS</b>	<b>SERVICES</b>	<b>PERFORMANCE MEASUREMENT</b>	<b>REPORTING</b>
Plannera	Maintenance of member accounts; benefit calculations and payments; customer/plan member service	Yes – Schedule A to Admin Agreement, MEPA	Plannera Admin Reports, Admin Agreement renewal at least every 5 years
Legal – Ministry of Justice	Legal issues and advice	Yes – advice must be consistent with applicable legislation	Commission Meetings on a Case-by-Case Basis
Independent Legal	Legal issues and advice	No – Commission satisfaction	Commission Meetings on a Case-by-Case Basis
Provincial Auditor	Audit reports	N/A	Annual Reports
Auditor	Audit reports	Yes – Evaluation of Auditor	Annual Reports

### 5.11 Integrity (continued)

*Ensure ethical behavior of all participants involved in the administration of the Plan*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Provide recommendations	No – must meet with Commission satisfaction	Plannera Admin Reports
Legal – Ministry of Justice	Legal issues and advice	Yes – advice must be consistent with applicable legislation	Commission Meetings on a Case-by-Case Basis
Provincial Auditor	Audit reports	N/A	Annual Reports

### 5.12 Orientation; Ongoing Education

*Ensure the establishment and implementation of an appropriate, formal orientation program for new members of the Commission*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Monitor, confirm, and/or amend orientation program	Yes – program and amendments must be approved by the Commission	Annual Review

*Ensure that resources are available for an appropriate, and practical ongoing education program for all members of the Commission*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Monitor, confirm, and/or amend orientation program	Yes – program and amendments must be approved by the Commission	Annual Review

### 5.13 Commission Effectiveness

*Evaluate the effectiveness of the Commission in fulfilling its responsibilities on a periodic basis*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Maintenance of Commission meeting minutes and records; assist in and provide recommendations in governance self-assessment process	Yes – Governance Self-assessment must be approved by Commission	As required; Annual self-assessment

*Monitor the effectiveness and contribution of individual members of the Commission*

SERVICE PROVIDERS	SERVICES	PERFORMANCE MEASUREMENT	REPORTING
Plannera	Maintenance of Commission meeting minutes and records; assist in and provide recommendations in governance self-assessment process	Yes – Governance Self-assessment must be approved by Commission	As required; Annual self-assessment

### 5.14 History

Approval date: October 21, 2005; September 21, 2007; November 21, 2008; November 26, 2010; November 25, 2011; November 13, 2014; March 16, 2018; and June 19, 2020

Last review: October 20, 2023

Next scheduled review: October 2024

# I. Mandate and Roles

## Section 6 – Private Markets Committee

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### 6.1 Purpose

The purpose of the Private Markets Committee (the Committee) is to enable the Municipal Employees’ Pension Commission (the Commission) to meet its fiduciary oversight and related obligations in relation to the retention and disposition of private equity and infrastructure funds.

### 6.2 Composition

The Committee is to be comprised of three Commission members annually appointed by resolution at the June meeting of the Commission. The Commission shall designate a Chair of the Committee.

Quorum of the Committee is two members of the Committee.

The Supervisor, Governance and Legislation, Plannera Pensions & Benefits (Plannera ) or their designate shall act as Secretary to the Committee.

### **6.3 Meeting Schedule and Frequency**

The Committee will meet at the call of the Chair.

### **6.4 Delegation**

The Committee may authorize, on behalf of the Commission, the retention and disposition of private equity and infrastructure funds with mandates of \$80,000,000 (CDN) or less.

The Chair or Vice-Chair of the Commission, the Assistant Deputy Minister of Planner or his/her designate is authorized to execute decisions made by the Committee.

### **6.5 Responsibilities**

The Committee fulfills its purpose by:

- Approving the retention and disposition of private equity, infrastructure farmland, and private credit, funds within its delegated authority, and the annual budget set by the Commission;
- Ensuring private equity, infrastructure, farmland, and private credit funds are retained in accordance with the Commission's Acquisition and Retention of Services Policy; and
- Carrying out the strategic direction for private equity and infrastructure approved by the Commission.

### **6.6 Committee Leadership**

The role of the Committee Chair is to:

- Ensure the informational needs of Committee members are met;
- Promote the independent thinking and decision-making of the Committee;
- Build consensus among Committee members;
- Ensure meeting time is used effectively;
- Monitor Committee activities to ensure the work undertaken is consistent with the mandate;
- Work in conjunction with Planner to ensure that the Committee fulfills its mandate and completes its work efficiently and effectively; and
- Move Committee discussion towards a constructive and timely resolution.

**6.7 Reporting and Accountability to the Municipal Employees’ Pension Commission**

Following each Committee meeting, the Committee Chair will report to the Commission on the activities of the Committee. This will be accomplished by the distribution of the minutes of all Committee meetings to the Commission.

**6.8 Remuneration**

Committee members are to be remunerated as follows:

Chair: \$225 per meeting  
Committee Members: \$125 per meeting

The per-meeting remuneration includes preparation time and meeting time.

Expenses and travel time is to be paid in accordance with section 9 of the Commission’s Governance Manual – Commission Remuneration/Reimbursement.

**6.9 Other**

The Committee will:

- Use the external advisors retained by the Commission when considering the retention or disposition of a private equity or infrastructure investment.
- Retain service providers with respect to the disposition of any private equity and infrastructure investments.

**6.10 History**

Approval date: June 20, 2012, October 18, 2013,  
October 19, 2018, February 19, 2021, and  
April 16, 2021  
Last review: October 20, 2023  
Next scheduled review: October 2024

## II. Governance

### Section 7 – Operation of Commission

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#### 7.1 Purpose

The purpose of this policy is to document how the Municipal Employees’ Pension Commission (the Commission) is appointed and how it operates in accordance with the powers conferred upon it under *The Municipal Employees’ Pension Act* (the Act). The policy also sets out the Commission’s expectations of the various service providers it retains, as well as the reports they provide in order for the Commission to conduct its governance and risk management responsibilities.

#### 7.2 Composition of the Commission

The Act specifies the criteria and process for the appointment of members to the Commission.

In accordance with Section 7 of the Act, the Commission shall consist of the following members:

**Employer Representatives:**

- A representative appointed by The Saskatchewan Urban Municipalities Association;
- Two representatives appointed by The Saskatchewan School Boards Association;
- A representative appointed by The Saskatchewan Association of Rural Municipalities;
- A representative jointly appointed by the associations that represent regional libraries and regional colleges; and
- A representative jointly appointed by the employers that employ designated firefighters and police officers who are members of the Municipal Employees' Pension Plan (the Plan).

**Employee Representatives:**

- A representative appointed by The Rural Municipal Administrators' Association of Saskatchewan;
- A representative appointed by The Saskatchewan Association of School Business Officials;
- A representative appointed by The Urban Municipal Administrators Association of Saskatchewan;
- A representative jointly appointed by the Saskatchewan locals of the Canadian Union of Public Employees (CUPE) that represent employees who are members of the Plan;
- A representative jointly appointed by the associations that represent firefighters and police officers who are members of the Plan; and
- A representative jointly appointed by the Saskatchewan locals of trade unions that represent employees who are members of the Plan other than CUPE, police or firefighter members.



### **7.3 Arbitration**

In situations where there are joint appointments to the Commission; if there is no agreement between the joint appointment groups or there is a dispute with respect to the appointment of a member, the Minister of Finance shall appoint an arbitrator to:

- Conduct an arbitration in which the parties are the associations or trade unions that the member is to represent;
- Determine who should be appointed to represent the associations or trade unions; and
- Appoint the member.

### **7.4 Appointment of New Commission Members**

A representative shall be appointed to the Commission by the appropriate appointing body or association in accordance with the aforementioned requirements. The Plannera Pensions & Benefits (Plannera ) shall provide each new member of the Commission with electronic access to, or physical copies of the materials outlined in section 10.2 of the Governance manual.

When there is a vacancy on the Commission to be filled, Plannera will write to the appointing organization(s) requesting an appointment and assisting the appointing body by ensuring that the organization(s) and potential candidates understand:

- The inherent value of continuity of the Commission;
- The anticipated time and education obligations for Commission members;
- The investment the Commission makes in Commission member education; and
- The skills and knowledge that Commission members need to either bring with them or develop through education and involvement in decisions during their term on the Commission.

### **7.5 Term of Office**

Members of the Commission will hold office for a period of four years. A Commission member is eligible for reappointment, and is eligible to hold office for two consecutive terms.

## **7.6 Election of Chair and Vice-Chair**

The Chair and Vice-Chair are elected by the Commission members. Elections are to be held at the Commission's November meeting in the year prior to term commencement years. The term of office begins every two years, starting January 1, 2019.

In years when an election is to be called, after the approval of the agenda for the current meeting and the approval of the minutes from the last meeting, the Chair will issue a call for nominations to elect the new Chair. A motion will follow for nominations to cease and voting will take place to elect the new Chair. Immediately following the election of the Chair, a call for nominations to elect the new Vice-Chair will take place. A motion will follow for nominations to cease and voting will take place to elect the new Vice-Chair.

The Vice-Chair shall act in the place of the Chair during his/her absence.

If the Chair is a representative of an employer group, then the Vice-Chair must be a representative of an employee group. This pattern will alternate at each election.

## **7.7 Removal of Commission Members**

There is no procedure in place for the removal of members of the Commission.

*The Trustee Act, 2009* provides circumstances under which a person becomes disqualified to act as a trustee. Reasons include the member lacking capacity, being convicted of an offence involving dishonesty, or being an undischarged bankrupt. According to *The Trustee Act, 2009*, the person ceases to be a trustee on the date they become disqualified. Where a Commission member becomes disqualified to act as a trustee, they cease to be a member of the Commission on that date.

*The Trustee Act, 2009* also provides circumstances under which a person is unfit to act as a trustee. These circumstances include the person being incompetent or otherwise incapable of making the decisions necessary to perform the duties of a trustee, or being unwilling or unable to act co-operatively with other trustees, or unreasonably refusing to act co-operatively with other trustees, that uncooperativeness hampering the efficient administration of the trust.

*The Trustee Act, 2009* provides that a Commission member may be removed from the Commission where a Court is satisfied it is in the best interests of the Plan through Court order on the application of the Commission or one or more

Commission members, a plan member, an appointing organization, or the Public Guardian and Trustee.

A member may also be removed from the Commission by his or her appointing body or association.

## **7.8 Resignation**

A member of the Commission may resign at any time by providing written notice thereof to the Chair of the Commission.

## **7.9 Executive Management Services**

It is generally accepted that executive management services, at a high level, relate to:

- Executive support to a commission:
  - Providing whatever support a commission requires in fulfilling its governance of the trust;
  - Providing timely advice to a commission regarding any developments that might affect the commission's capacity to responsibly pursue its objectives;
- Planning and organizing:
  - Supporting a commission in the development of long-term strategic plans and operating plans and budgets;
- Policy development:
  - Developing, recommending, and implementing commission policies within governing legislative and regulatory frameworks and in accordance with pension industry best practices;
- Program/service management:
  - Managing the administration's financial and human resources in pursuit of its objectives;
  - Recruiting, developing and managing staff in a manner consistent with approved commission policies;
- Financial administration:
  - Developing and recommending an annual budget and administering the Plan within the parameters of the approved budget;
- Risk management:
  - Identifying, managing, and mitigating risks to the trust and its beneficiaries; and

- Board, supplier and stakeholder relationships:
  - Developing and maintaining effective, professional relationships with another commission or board, beneficiaries, staff, service suppliers, stakeholders, and the public.

The Commission recognizes its duty to exercise prudence in its administration of the Plan. The Commission acknowledges that where the Commission does not possess all the skills, information and knowledge necessary to properly carry out its duties, prudence requires that it seek advice from an expert third party.

The Commission's expectation is that its administrator will provide the following executive management services:

- Provide whatever executive support the Commission requires in fulfilling its governance of the Plan;
- Support the Commission in the development of long-term strategic plans and operating plans and budgets;
- Develop, recommend, implement, and recommend amendment of Commission policies within the Plan's legislative and regulatory frameworks and in accordance with pension industry best practices;
- Review the Plan's Statement of Investment Policy and Procedures at the required intervals and recommend any required amendments to the policy;
- Prepare a recommendation for the Commission's consideration whenever there is a decision before the Commission, including the selection of service providers unless it is more appropriate for another service provider to provide the Commission with the recommendation;
- Develop and recommend an annual budget and administer the Plan within the parameters of the approved budget;
- Maintain a risk management program adequate to identify, manage, and mitigate risks to the Plan and its members and beneficiaries;
- Monitor the performance of the Commission's service providers and make any recommendation that the provider's performance requires;
- Administer agreements, other than investment management and custody, to which the Commission is party by reviewing invoices submitted by service providers and making appropriate payments pursuant to those agreements, for which the Commission shall provide reimbursement;
- Administer investment management and custody agreements to which the Commission is party by reviewing invoices submitted by service providers and making appropriate payments from the Pension Fund; and
- Develop and maintain effective relationships with members, staff, service suppliers, stakeholders, and the public.

The Commission will, on an annual basis, evaluate its administrator in its performance of these services. The Commission will provide its administrator with a summary of the evaluation. The Commission will require that the administrator present to the Commission a plan to address any areas of concern.

#### **7.10 Executive Secretary**

The Commission has appointed the Assistant Deputy Minister (ADM) of Plannera as Executive Secretary to the Commission. The ADM has delegated the tasks required for executive secretary services to appropriate Plannera employees.

In consultation with the Chair, Plannera is responsible for the following executive secretary services:

- Maintaining the integrity of the governance framework;
- Organizing all Commission meetings and business;
- Setting and distributing the agenda and related materials for all Commission meetings;
- Taking and distributing the minutes of all Commission meetings;
- Keeping Commission business confidential;
- Ensuring that Commission decisions are communicated;
- Corresponding with service providers or other stakeholders and preparing reports at the request of the Commission and on the Commission's behalf;
- Filing returns and other statutory reporting;
- Executing documents as a delegated signing authority; and
- Managing the process for Complaints to the Commission.

#### **7.11 Review of the Composition of the Commission**

The composition of the Commission will be reviewed every five years starting September 1, 2010.

#### **7.12 Information to be Received by the Commission**

The purpose of providing the Commission with periodic reports is to ensure the Commission can manage the Plan effectively and monitor the service providers it retains.

The reports required by this section are to be delivered to Plannera to ensure that the reports are tabled at the next available meeting of the Commission.

## Information provided by Plannera

The Commission requires information to support decision-making from its administrator in the form of Quarterly Administration Reports and Quarterly Financial Reports) in accordance with the contract between the Commission and its administrator. The reports will contain the following information:

- The Quarterly Administration Report (Plan Administration, Plannera Administration, Plannera Risk Management Issues):
  - Performance to service standards;
  - Demographic Information;
  - Legislative updates;
  - Member and employer engagement;
  - Governance issues; and
  - Any exceptions noted during the monthly check as per the regulations under the *Criminal Code* (Canada) and/or by the *United Nations Suppression of Terrorism Regulations (UNSTR)*.
- The Quarterly Financial Report will include:
  - Financial Highlights;
  - Financial Update;
  - Budget Update;

The Commission requires information documents and monitoring information on the investment activities, investment performance and investment managers in order to perform appropriate oversight of the Fund. This documentation is provided by Plannera with the assistance of the general investment consultant, where required, and includes but is not limited to:

- The quarterly Investment Monitoring Report which includes information on:
  - Investment manager issues and updates;
  - Economic highlights;
  - Asset Class highlights; and
  - Manager performance.
- A Deep Dive report where specific asset classes are reported more comprehensively on a quarterly basis.

The Commission also requires information documents it needs to make decisions on governance and risk management issues. These documents include, but are not limited to:

- The Periodic Checklist;
- The Strategic Business Plan, Work Plan, and Updates;
- Key Performance Indicators;
- The Governance Self-Assessment Questionnaire;
- The Commission Self-Assessment Questionnaire;
- The Risk Management Plan for the current plan year;
- The Risk Management Review for the preceding plan year;
- The Mid-Year Risk Management Dashboard;
- The Annual Report; and
- Market Trends and Developments Newsletter.

### **Information provided by the Commission's investment managers**

The Commission requires quarterly reports from investment managers. These reports can be expected to contain some or all of the following information:

- Information on past performance and future strategies. Past performance results are to be in the form of numerical data and an explanation of the major influences on those results, and should provide a comparison to the appropriate benchmark. Future strategy discussion may, if appropriate, be limited to a general discussion of philosophy or mandate. Reports should also contain information regarding any significant changes in an investment manager's staff.
- If an investment manager has more than one mandate for the Commission, a consolidated report will be provided. This report provides any general market commentary that is related to the mandates, and separately discusses performance and future strategies for each specific mandate.
- Market commentary will be provided to the Commission if it is linked to the specific mandate or if it is brief and contained in the overall quarterly report.
- Plannera reviews the quarterly reports provided by the investment managers and keeps the Commission apprised of noteworthy developments in the investments and the investment management companies. A Commission member may request a copy of an investment manager report.

### **7.13 Rules & Procedures for Reviewing and Acting on Information**

The information received by the Commission is to be reviewed and acted upon in a timely and professional manner.

Actions required for the various items may include:

1. *Information Item*: Item is reviewed, background information is researched and a discussion relating to the subject takes place.
2. *Decision Item*: Item is reviewed, background information is researched and a decision relating to the subject takes place.
3. *Action Item*: Item is reviewed, background information is researched and an identified task is undertaken.

The following tables provide a summary of information provided and the purpose, key points, action required, and results of action.



## Meeting Items

Meeting Package			Frequency: Monthly Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Package is delivered to Commission members prior to meeting. Ensures that members are given time to review items.	<ul style="list-style-type: none"> <li>All items in package are for the Commissions' review and vary given the time of year and information required.</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p>	Commission members are prepared for the meeting.

Meeting Minutes			Frequency: Monthly Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Ensures an accurate permanent record of the discussions and decisions of the previous meeting.	<ul style="list-style-type: none"> <li>Attendance</li> <li>Conflicts of Interest</li> <li>Approval of Agenda</li> <li>Approval of Minutes</li> <li>Chair's Report</li> <li>ADM's Report</li> <li>Education Reports</li> <li>Accountability Items</li> <li>Plan Integrity Items</li> <li>Customer Service Items</li> <li>Governance Items</li> <li>Routine Reports</li> <li>General Matters</li> </ul>	<p><u>Commission</u></p> <p><i>Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews and confirms accuracy of minutes.</p> <p>Plannera carries out decisions or causes the decisions to be carried out.</p>

## Meeting Items, continued...

Agenda			Frequency: Monthly
			Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Ensures an orderly and timely meeting. Provides attendees with an opportunity to add or delete items.	<ul style="list-style-type: none"> <li>Full listing of the meeting topics.</li> </ul>	<u>Commission</u>  <i>Decision Item</i>  <u>Administrator</u>  <i>Action Item</i>	Commission reviews and confirms the agenda. Items can be added, deleted or deferred. Agenda is approved as is or with amendments.  Plannera uses draft agenda to prepare materials for the Commission meeting.

## Risk Management

Strategic Investment Consultant, Private Markets Consultant, Custodian, Administrator, Auditor, Legal Service Provider, and Actuary Evaluations			Frequency: Annually, or as per Acquisition and Retention of Services Policy
			Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Ensures that the service providers are being evaluated.	<ul style="list-style-type: none"> <li>Evaluation of service providers</li> </ul>	<u>Commission</u>  <i>Decision Item</i>  <u>Administrator</u>  <i>Action Item</i>	The service providers are evaluated and documentation of the evaluation is recorded.  Plannera prepares and reviews the evaluation to ensure that service provider performance is satisfactory.

**Risk Management, continued...**

Risk Management Plan - Current Year			Frequency: Annually Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Ensures possible risks to the Plan are considered and actions are put in place to manage the identified risks.	<ul style="list-style-type: none"> <li>• Strategic Risk</li> <li>• Financial Risk</li> <li>• Regulatory Risk</li> <li>• Operational Risk</li> </ul>	<u>Commission</u>  <i>Decision Item</i>  <u>Administrator</u>  <i>Action Item</i>	<p>The Risk Management Plan (RMP), as approved, is used for the upcoming year to manage identified risks.</p> <p>Plannera uses the RMP to ensure that processes are in place to manage the identified risks.</p>

Mid-Year Risk Management Dashboard			Frequency: Annually Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Ensures possible risks to the Plan are considered and actions are put in place to manage the identified risks.	<ul style="list-style-type: none"> <li>• Strategic Risk</li> <li>• Financial Risk</li> <li>• Regulatory Risk</li> <li>• Operational Risk</li> </ul>	<u>Commission</u>  <i>Information Item</i>  <u>Administrator</u>  <i>Action Item</i>	<p>The Commission receives a mid-year update on the status of the risks identified in the Risk Management Plan.</p> <p>Plannera prepares the Mid-Year Risk Management Dashboard for Commission review.</p>

**Risk Management, continued...**

<b>Risk Management Review - Previous Reporting Period</b>		<b>Frequency:</b> Annually <b>Provider:</b> Plannera	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Ensures that the identified risk management strategies were implemented for the year.	<ul style="list-style-type: none"> <li>• Strategic Risk</li> <li>• Financial Risk</li> <li>• Regulatory Risk</li> <li>• Operational Risk</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>The Commission ensures that the administrator is managing the identified risks throughout the previous year.</p> <p>Plannera prepares the Risk Management Review (RMR) and outlines what actions were taken throughout the previous year to manage risks. The RMR is then used to develop the following years Risk Management Plan.</p>

<b>Funding Policy Review</b>		<b>Frequency:</b> Annually <b>Provider:</b> Plannera	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
A review of the policy to ensure it is meeting the needs of the Plan, is compliant and reflects current beliefs and goals.	<ul style="list-style-type: none"> <li>• Plan background</li> <li>• Current mission, values and goals</li> <li>• Design considerations</li> <li>• Assess the current funding policy</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item &amp; Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Information Item &amp; Action Item</i></p>	<p>Commission reviews funding policy and makes changes as required.</p> <p>Plannera administers the Plan according to the Funding Policy.</p> <p>Plannera implements changes as identified by the Commission to the Funding Policy. Plannera carries out actions required by the policy.</p>

**Risk Management, continued...**

<b>Actuarial Valuation</b>		<b>Frequency:</b> Annually/Triennially <b>Provider:</b> Actuary	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
An actuarial valuation is conducted annually to ensure that the Fund’s performance objectives are achieved. The actuarial valuation must be filed at least every three years with the regulator.	<ul style="list-style-type: none"> <li>• Management valuation</li> <li>• Filing valuation</li> <li>• Solvency position</li> <li>• Current funding adequacy</li> <li>• Principal plan provisions</li> <li>• Actuarial assumption and methods</li> </ul>	<p><u>Commission</u></p> <p><i>Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews the management valuation and the annuities underwritten by the Plan. The Commission makes the decision on when to file the actuarial valuation with the regulators.</p> <p>Plannera and the Commission review the actuary’s assumptions to determine if they are reasonable for the Plan.</p> <p>The Plan actuary prepares a recommendation to the Commission to approve the actuarial valuation, and recommends to the Commission whether or not to file the current actuarial valuation with the regulator.</p>

<b>Investment Policy Review</b>		<b>Frequency:</b> Annually <b>Provider:</b> Plannera	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
A review of the policy to ensure it is meeting the needs of the Plan, is compliant and reflects current beliefs, values and goals.	<ul style="list-style-type: none"> <li>• Plan background</li> <li>• Current goals and investment beliefs</li> <li>• Assess the investment manager structure</li> <li>• Update and finalize the SIP&amp;P</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item &amp; Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Information Item &amp; Action Item</i></p>	<p>Commission reviews the investment policy and makes changes as required.</p> <p>Plannera administers the Plan according to the Investment Policy. Plannera implements changes as identified by the Commission to the Investment Policy.</p>

**Risk Management, continued...**

<b>Plannera Administration Report</b>		<b>Frequency:</b> Quarterly <b>Provider:</b> Plannera	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides an update regarding the administrative of the Plan.	<ul style="list-style-type: none"> <li>• Service Standards Performance</li> <li>• Membership</li> <li>• Investments</li> <li>• Funded Ratio</li> <li>• Engagement</li> <li>• Administration and Demographics</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><i>Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> <li>• Administrators' service standards performance;</li> <li>• Status of Plan amendments and policies;</li> <li>• Compliance with legislation and regulatory authorities;</li> <li>• Status of any risk management issues; and</li> <li>• Plan demographics.</li> </ul> <p>Commission uses items to measure service provider performance.</p>

<b>Quarterly Financial Report</b>		<b>Frequency:</b> Quarterly <b>Provider:</b> Plannera	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides an update regarding the administrative operations of the Plan.	<ul style="list-style-type: none"> <li>• Financial Highlights</li> <li>• Financial Update</li> <li>• Budget Update</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><i>Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> <li>• Financial Highlights</li> <li>• Budget and financial statements;</li> <li>• Investment fees;</li> </ul> <p>Commission uses item to measure service provider performance.</p>

**Risk Management, continued...**

<b>Investment Monitoring Report</b>		<b>Frequency:</b> Quarterly <b>Provider:</b> Plannera /General Investment Consultant	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides a review of the investment managers and investment Fund performance.	<ul style="list-style-type: none"> <li>• Manager Ratings</li> <li>• Manger Issues and Updates for the Quarter</li> <li>• Other Manager News</li> <li>• Economic Highlights</li> <li>• Total Fund Performance</li> <li>• Total Plan</li> <li>• Plan Assets</li> <li>• Asset Class Highlights</li> <li>• Manger Relative Performance</li> <li>• Manager Performance (Net of Fees)</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> <li>• Investment Manager Performance;</li> <li>• Investment Fund Performance.</li> </ul> <p>Actions may be required based on the information received and discussions that take place.</p>

<b>Investment Deep Dive</b>		<b>Frequency:</b> Quarterly <b>Provider:</b> Plannera /General Investment Consultant	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides a more in-depth review of the managers and performance within a specified asset class. Each asset class is reviewed annually and deeper dives may be performed that focus on performance on a four-year basis or longer	<ul style="list-style-type: none"> <li>• Review of the individual strategies and aggregated asset class structure</li> <li>• Key decisions made and investment performance over the last 12 months/4 years.</li> <li>• Discuss each firm’s/manager’s outlook</li> <li>• Review topics specific to each mandate</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><i>Action Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews and discusses:</p> <ul style="list-style-type: none"> <li>• Investment Performance</li> <li>• Change and/or evolution of strategies</li> </ul> <p>Commission uses item to measure service provider performance.</p> <p>Actions may be required based on the information received and discussions that take place.</p>

## Governance

Private Equity Strategic Plan, Infrastructure Strategic Plan Farmland Strategic Plan and Private Credit Strategic Plan			Frequency: Annually Provider: Private Markets Consultant
Purpose	Key Points	Action Required	Result of Action
Provides the strategic objectives and portfolio goals for private equity and infrastructure investments.	<ul style="list-style-type: none"> <li>• Hamilton Lane Update</li> <li>• Private Market Update</li> <li>• HL/Plannera Relationship Overview</li> <li>• Private Equity Strategic Plan</li> <li>• Infrastructure Strategic Plan</li> <li>• Appendix</li> </ul>	<p><u>Commission</u></p> <p><i>Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission reviews and approves the strategic plan for private equity and infrastructure.</p> <p>Private equity and infrastructure investments that fit with the strategic plan are brought to the Private Markets Committee for review and approval.</p>

Strategic Business Plan - Development			Frequency: 3 to 6 year intervals, reviewed annually Provider: Plannera
Purpose	Key Points	Action Required	Result of Action
Provides direction for the Plan in regard to the Commission's Goals, Objectives and Values.	<ul style="list-style-type: none"> <li>• Plan Background</li> <li>• Research and Development</li> <li>• Mission Statement</li> <li>• Value Statement</li> <li>• Key goals</li> <li>• Initiatives</li> </ul>	<p><u>Commission</u></p> <p><i>Decision Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>Commission members voice their beliefs, values and goals for the Plan. Initiatives are developed and approved by the Commission.</p> <p>Plannera develops the plan based on input from the Commission. The Strategic Plan provides Plannera with a working framework in which the Plan will be administered.</p>



**Governance, continued...**

<b>Education Events Listing</b>		<b>Frequency: Monthly Provider: Plannera</b>	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides Commission with a list of upcoming education events.	<ul style="list-style-type: none"> <li>Lists education requirements, providers, offerings, locations and dates.</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p>	The Commission members are kept informed of upcoming educational events.

<b>Education Report</b>		<b>Frequency: Annually Provider: Plannera</b>	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Inform Commission members of their personal educational requirements.	<ul style="list-style-type: none"> <li>Lists each requirement for each member with a completed or not completed status.</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Information and Action Item</i></p>	<p>The Commission members are kept informed of their personal educational requirements.</p> <p>Plannera tracks Commission members' educational progress and communicates this to the Commission.</p>

<b>Market Trends and Developments Newsletter</b>		<b>Frequency: Weekly Provider: Plannera</b>	
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Commission members have the opportunity to review pension and business news, monitor case law, and review market trends and developments.	<ul style="list-style-type: none"> <li>Education Events</li> <li>Pension News</li> <li>Business News</li> <li>Legislation, Litigation and Regulation</li> <li>Pension Reform</li> <li>Surveys, Studies and Opinions</li> </ul>	<p><u>Commission &amp; Administrator</u></p> <p><i>Information Item</i></p>	The Commission and the Administrator's staff review the newsletter to remain abreast of pension and business trends and developments.

**Governance, continued...**

<b>Code of Conduct/Conflict of Interest Form</b>			<b>Frequency:</b> Annually <b>Provider:</b> Plannera
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Ensures Commission maintains guidelines for conduct.	<ul style="list-style-type: none"> <li>• Fiduciary Duties</li> <li>• Duty of Care</li> <li>• Ethical Standards</li> <li>• Procedures</li> <li>• Consequences</li> <li>• Avoidance of Bias</li> <li>• Acknowledgement</li> </ul>	<p><u>Commission</u></p> <p><i>Action item</i></p>	<p>The Commission members are aware of the guidelines for their conduct. This item is reviewed and signed annually.</p> <p>Commission members also affirm adherence to the policy by disclosing any potential conflicts of interest at the call of the Chair at the start of each meeting.</p>

<b>Governance Self-Assessment Review</b>			<b>Frequency:</b> Annually <b>Provider:</b> Plannera
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Assists the Commission in assessing performance and recognizing weaknesses and strengths.	<ul style="list-style-type: none"> <li>• Fiduciary Responsibility</li> <li>• Governance Framework</li> <li>• Roles and Responsibilities</li> <li>• Performance Monitoring</li> <li>• Knowledge and Skills</li> <li>• Governance Information</li> <li>• Risk Management</li> <li>• Oversight and Compliance</li> <li>• Transparency and Accountability</li> <li>• Code of Conduct and Conflict of Interest</li> <li>• Governance Review</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>The Commission is made aware of the performance, weaknesses and strengths of its Governance Model.</p> <p>Plannera prepares the self-assessment review for the Commission. Actions identified by the Commission to strengthen the governance process are implemented.</p>

**Governance, continued...**

<b>Governance Self-Assessment Prudent Investment Practices</b>			<b>Frequency:</b> Periodically <b>Provider:</b> Plannera
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Assists the Commission in assessing investment practices and recognizing weaknesses and strengths.	<ul style="list-style-type: none"> <li>• Roles and Responsibilities</li> <li>• Establishing Policy</li> <li>• Investment Objectives</li> <li>• Risk Tolerances</li> <li>• Content of Investment Policy</li> <li>• Delegation of Investment Activities</li> <li>• Monitoring and Review</li> </ul>	<p><u>Commission</u></p> <p><i>Information Item</i></p> <p><u>Administrator</u></p> <p><i>Action Item</i></p>	<p>The Commission is made aware of the weaknesses and strengths of its investment practices.</p> <p>Plannera prepares the self-assessment review for the Commission. Actions identified by the Commission to strengthen the investment practices are implemented.</p>

<b>Commission Self-Assessment Questionnaire</b>			<b>Frequency:</b> Annually <b>Provider:</b> Plannera
<b>Purpose</b>	<b>Key Points</b>	<b>Action Required</b>	<b>Result of Action</b>
Provides the Commission with an opportunity to voice their opinion and assess their performance.	<ul style="list-style-type: none"> <li>• Operation</li> <li>• Information</li> <li>• Strategic Direction</li> <li>• Member Orientation</li> <li>• Self-Assessment</li> </ul>	<p><u>Commission</u></p> <p><i>Action Item</i></p>	<p>The Commission members are able to reflect on their experience as members and provide direction and comment for future operations. A summary is provided to the Commission in order to have a comprehensive view of the results.</p>

**Governance, continued...**

Annual Report		Frequency: Annually Provider: Plannera	
Purpose	Key Points	Action Required	Result of Action
Provides Commission and Stakeholders with a comprehensive view of the Plan’s operations and financial statements.	<ul style="list-style-type: none"> <li>Communicates the strategic plan and initiatives, operations and financials of the Plan.</li> </ul>	<p><u>Commission</u></p> <p><i>Decision Item</i></p>	The Annual Report is available on the website. Stakeholders are provided with a transparent view of the operations and financial statements of the Plan.

**7.14 History**

Approval date: September 15, 2006; September 21, 2007; January 18, 2009; June 17, 2009; November 26, 2010; February 17, 2011; November 25, 2011; November 15, 2013; November 21, 2014; November 20, 2015; September 15, 2017; March 16, 2018; June 19, 2020; April 16, 2021; November 19, 2021; and November 18, 2022

Last review: October 20, 2023

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## II. Governance

### Section 8 – Acquisition and Retention of Services

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#### 8.1 Purpose

The purpose of this policy is four fold. The policy provides:

- Guidance regarding the acquisition and disposition of services by the Plannera Pensions & Benefits (Plannera ) as specified in the Municipal Employees’ Pension Commission’s (the Commission’s) contract with Plannera ;
- Guidance regarding the acquisition and disposition of services required by the Commission in order for it to fulfill its responsibilities under *The Municipal Employees’ Pension Act* (the Act);
- Requirement for contracts entered into by or on behalf of the Commission; and
- Requirement for the evaluation of service providers.

#### 8.2 Rationale

As the body responsible for the administration of the Act and as Trustee of the Municipal Employees’ Pension Fund, the Commission has the responsibility to ensure that expenditures paid by the Fund are appropriate and acquired in an appropriate manner. This policy assists the Commission in carrying out its responsibilities appropriately.

### 8.3 Policy

#### Services Acquired by Planner

While Planner is designated by Order in Council as administrator of the Municipal Employees' Pension Plan (the Plan), there is an agreement in place between the Commission and Planner outlining the parameters of the services provided by Planner. The contract provides:

“Subject to the prior approval of the Commission, and in compliance with the Commission's Acquisition of Services Policy, Planner may engage consultants or advisors or enter into contracts with other parties for the provision of services that it is obliged to provide under this agreement.”

With respect to any initiative regarding the acquisition of individual services that have an estimated cost of over \$50,000, Planner is to provide the Commission with reasons why a party other than Planner would better provide the service(s).

If the Commission agrees to Planner retaining a service provider, upon selection of the service provider, Planner is to provide the Commission with the following:

- A description of the request for proposal process and the criteria for awarding the contract;
- A description of the proposed project deliverables and the scheduling for the deliverables;
- The performance measures and the consequences of not meeting the performance standards; and
- A description of the responsibilities of the contractor and Planner.

Planner must report to the Commission on the performance of the supplier of services.

Any service acquired by Planner that is unbudgeted and is \$20,000 or more must be brought to the Commission for approval. If an unbudgeted expenditure would cause Planner to be over-budget, the Commission must authorize the expenditure.

#### Services Acquired by the Commission

The Commission has appointed the Assistant Deputy Minister of Planner as the Executive Secretary.

For the purposes of this policy, the delegation to Planner will be referred to as being performed by the Senior Executive Officer. The Senior Executive Officer is the Assistant Deputy Minister of Planner.

### *Services Estimated to Cost \$24,999 or Less*

The Senior Executive Officer may authorize, on behalf of the Commission, the acquisition of services that have an estimated cost of \$24,999 or less, if such expenditure has been budgeted or can be managed within Planner's current annual budget allotment.

In the event such expenditure would cause Planner to be over-budget, the Commission must authorize the acquisition of services.

To obtain Commission authorization, the Senior Executive Officer is to provide the Commission with:

- A description of the services to be acquired;
- The reasons why the services are necessary; and
- The reasons why the provider of services was recommended.

When applying the decision authority levels specified below, the total estimated cost of a project is to be used rather than the estimated cost of individual modules.

### *Request for Proposal Process*

A request for proposal process or approved alternative process must be undertaken at least every six years for any services acquired by the Commission except for:

- Senior Executive Officer services;
- Executive Secretary services;
- Administration services;
- Investment management services;
- Custody services; and
- Independent legal services.

Any services, excluding investment management services and independent legal services, which have an estimated cost of \$25,000 or more, should be acquired through a request for proposal process involving at least three firms qualified to perform the services required. If the services are not to be acquired through a request for proposal process, the Senior Executive Officer is to provide the Commission with the reasons why an alternative process is appropriate.

The acquisition of investment management services may vary depending on the investment mandate. The acquisition may be by way of:

- Direct source selection; or
- Request for proposal; or
- Request for quotation.

Prior to the acquisition of any services, including investment management services and independent legal services, the Senior Executive Officer is to provide the Commission with:

- A description of the services to be acquired;
- Reasons why the services are necessary; and
- A description of the request for proposal process and selection process.

#### *Service Provider Selection Criteria*

Within the selection process, the following criteria will be taken into account with respect to choosing a service provider as required:

- Experience providing similar services to other clients;
- Training of key staff within the organization;
- Access to special services or technology;
- Cost of services;
- Quality of past service delivery;
- Continuity of services, in terms of both operation of the organization and provision of the applicable services;
- Knowledge and understanding of the pension industry; and
- Recommendations and feedback from other clients.

The selection criteria for investment management services also include:

- Investment performance

#### *Service Provider Selection*

The Senior Executive Officer shall ensure that sufficient and appropriate due diligence is carried out in the service provider selection process.

The Senior Executive Officer shall provide the Commission with a recommendation for a service provider to be selected. The recommendation is to include a description of the due diligence process, the reasons and the circumstances that were considered for the recommendation.



### Services Acquired by the Private Markets Committee

The Private Markets Committee may retain service providers required to assist in the investment disposition process within its delegated authority.

#### Approval of Contracts

Written contracts with service providers may include:

- a) A statement of work requirements which describes:
  - i. The deliverables and the scheduling of the deliverables; and
  - ii. The performance measures and the consequences of not meeting the performance standard, if applicable;
- b) The price (including, where appropriate, fees and expenses) agreed to;
- c) The billing and receipt requirements;
- d) The responsibilities of all the parties of the contract;
- e) Where appropriate, details of the Commission's operational and policy constraints (for example protection of privacy); and
- f) Other applicable terms considered appropriate in the circumstances.

Except as noted below, the Commission may enter into a contract with a service provider that does not exceed three years. The contract may be extended for an additional three years.

For the following service providers, the six-year contract limit without retendering is not appropriate:

- Senior Executive Officer services;
- Executive Secretary services;
- Administration services;
- Investment management services;
- Custody services; and
- Independent legal services.

Senior Executive Officer services, Executive Secretary services, and Administration services are governed by an Order in Council and are not subject to tender. It would be impractical, costly, and undesirable to change investment managers, the custodian, or the independent legal service provider every six years. However, investment managers, the Plan custodian, and independent legal service providers may be replaced when necessary.

Recognizing the nature of the relationship with Plannera as the Commission's administrator, the Commission may enter into contracts for administrative services not to exceed a period of five years with Plannera ; however, there is no limitation to the number of times the contract may be extended or re-negotiated.

In the case of investment managers, given the nature of the services provided and that a manager can be terminated at any time, it is appropriate to enter into contracts that do not have expiry dates.

In the case of the Plan custodian, because of the nature of the services provided and the stability of custody fees, as well as the cost and complexity of transitioning between custodians, it is appropriate to enter into a contract that does not have an expiry date.

In the case of the independent legal service provider, given the nature of the service provided and the value of retaining the same legal counsel for the duration of a particular legal matter, it is appropriate to enter into a contract that does not have an expiry date.

The Commission Chair may approve all contracts for services acquired by the Commission that are in excess of \$24,999. To provide approval, the Senior Executive Officer is to provide the Chair with a recommendation and a description of the due diligence process.

Once approved, the Chair, Vice-Chair, Senior Executive Officer or any other individual designated by the Commission, may sign a contract.

Commission members may request to review contracts for services acquired by the Commission that are in excess of \$24,999 as Information Items.

#### *Contracts for Private Markets*

In the case of investments approved for acquisition or disposal, the Chair or Vice-Chair of the Commission, Senior Executive Officer, or a designate, may execute fund agreements or documents.

The Senior Executive Officer will inform the Chair once an agreement has been executed.

The Senior Executive Officer will report to the Commission on the due diligence process carried out for each executed agreement.

#### Evaluation of Service Providers to the Commission

The performance of each service provider will be reviewed at least annually, except in situations where a new service provider has been selected unless an evaluation is requested by the Commission. Service provider evaluation will resume within the annual cycle once the new service provider has provided a length of service appropriate to be evaluated. The results of each performance

review will be reported to the Commission. In reviewing service provider performance, each service provider may be rated in the following areas:

- Overall quality of services;
- Overall timeliness of the provision of services;
- Overall service satisfaction; and
- Achievement of the deliverables specified in the contract.

The selection and review criteria specified are applicable to all service providers, with the exception of legal counsel provided by the Ministry of Justice and investment managers. Legal counsel provided by the Ministry of Justice is subject to any performance objectives defined by the Government of Saskatchewan. Performance review criteria for investment managers are specified in the Commission's Statement of Investment Policies and Procedures.

Actions to be taken in the event a service provider does not perform at a satisfactory level in any of these areas are determined on a case-by-case basis and are specified in all service provider contracts.

If the Senior Executive Officer is of the view that a service provider should be terminated, the Senior Executive Officer is to provide the Commission with a recommendation regarding the termination of the service provider. The recommendation is to include a description of the due diligence process, the reasons and the circumstances that were considered for the recommendation.

Plannera will contact all service providers at least every two years to ensure that they continue to maintain a code of conduct and conflict of interest policy. Plannera will report the results of the review to the Commission.

#### **8.4 History**

Approval date:	November 21, 2003; April 17, 2009; February 17, 2011; June 20, 2012; November 20, 2015; March 16, 2018; October 19, 2018; March 15, 2019; September 20, 2019; June 19, 2020; February 19, 2021; and May 20, 2022
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**II. Governance**

**Section 9 – Commission Remuneration/Reimbursement**

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**9.1 Purpose**

The purpose of this policy is to outline the manner in which Municipal Employees’ Pension Commission (the Commission) members are remunerated or reimbursed for preparation and attendance at Commission meetings and Commission-related education and events.

**9.2 Commission Remuneration/Reimbursement**

Remuneration and per diem amounts to be paid to Commission members have been established as follows:

1. The per diem amounts that may be claimed by the Vice-Chair and Commission Members during the performance of their duties are as follows:

a. Regular Commission Meeting:

- \$250.00 per day for attendance at Commission meetings, which takes into consideration a member's obligation to be away from the workplace for an entire day regardless of the length of the meeting;
- \$250.00 for preparation prior to attending a Commission meeting or set of meetings;
- \$250.00 for attendance at annual strategic planning session (no preparation required).

b. Other Meetings as authorized by the Commission:

- \$250.00 per day or \$125.00 per half day (four hours or less);
- Preparation for and attendance at a sub-committee meeting (preparation is included in the honorarium for these meetings as preparation is usually minimal):
  - Sub-committee member: \$125.00
  - Sub-committee Chair: \$225.00
- Commission members are eligible to claim up to the maximum amount per meeting attended as outlined above. Commission members would be paid the amount they claim provided it does not exceed the maximum amount. It is the responsibility of Commission members to understand the income tax implication of the claimed amounts.

c. Education

- \$250.00 per day for attending conferences/education events as members of the Commission;
- \$250.00 for preparation for an education event if there is significant pre-reading required for the course;
- \$125.00 may be claimed if the member is required to write an exam on a date other than on the dates claimed for the course itself.

d. Online Education

- The per diem amounts for Education above are also applicable to members attending online courses:
- For facilitated and self-directed online courses, members may claim full-day rates equivalent to the regular schedule typically followed for these courses if the courses were taken in person.

- For webinars lasting one hour or more, members may claim half-day rates of \$125. For webinars less than one hour, no compensation will be made.

Notes:

- Remuneration allowed for Private Markets Committee meeting attendance is specified in section 6.8 of the Governance manual and is in alignment with the amounts outlined above.
  - Commission members are not eligible for a meeting fee for decisions of the Commission made between meetings as per section 11.8 of this manual where there is little or no expected preparation required to make the decision and approve it.
2. Remuneration for the Vice-Chair of the Commission is the same as for the Chair when acting in the Chair's absence on a full-day basis as outlined in section 9.3.
  3. When a Commission member uses a private vehicle to travel outside their city of residence to attend Commission business, travel time will be reimbursed at a rate equal to \$0.30 per kilometer.
  4. For attending events out-of-province as a representative of the Commission, members are to receive \$250.00 for each travel day. The \$250.00 for travel is not payable if the travel and attendance of the event occur on the same day.

For out-of-province travel, the \$0.30 per kilometer travel time and the \$250.00 travel fee cannot be claimed for the same day.

5. Commission members annually receive a \$5,000 education allowance for registration to attend education events (including online educational events and courses), which is in addition to travel and other expenses for attending the event(s).

A Commission member will be permitted to register for the Rotman School of Management, Pension Governance Education Program and exceed the annual education allowance in the year the training is taken. This will be the only education event a Commission member will be eligible to attend in that year unless additional training events are free or complementary.

6. Hotel and travel expenses will be reimbursed as incurred. In special circumstances necessitating extra accommodation while attending Commission meetings or functions (for example, due to medical requirements or inclement weather), expenses will be reimbursed subject to the approval of the Chair.
7. Mileage for members' personal vehicles at the rate established for the Saskatchewan Public Service Commission.

8. Meals will be reimbursed as follows:
  - Meals – In Province – Per Diem Maximum \$50.00
    - Breakfast \$10.00 / Lunch \$15.00 / Supper \$25.00
  - Meals – Out of Province – Per Diem Maximum \$60.00
    - Breakfast \$13.00 / Lunch \$17.00 / Supper \$30.00
  - Meals – United States (in US Dollars) – Per Diem Maximum \$72.65
    - Breakfast \$15.35 / Lunch \$17.00 / Supper \$40.30
  - Out of Country travel expenses, including the meal allowance except as noted above, will be reimbursed at the rate established for the Saskatchewan Public Service Commission.
  
9. Incidental costs for travel within the United States will be reimbursed at a rate of \$17.30 per day (US dollars).

### **9.3 Commission Chair Remuneration/Reimbursement**

Remuneration and per diem rates to be paid to the Chair are the same as outlined in section 9.2 above, with the exception of the following:

The per diem amounts that may be claimed by the Chair of the Commission during the performance of his/her duties will be:

- \$450.00 per day for attendance at Commission meetings, which takes into consideration the Chair's obligation to be away from the workplace for an entire day regardless of the length of the meeting;
- \$450.00 for preparation prior to attending a Commission meeting or set of meetings;
- \$450.00 per day for attendance at events as Chair of the Commission.
- Reimbursement for education as per sub-section 1(c) and (d) of section 9.2.
- Reimbursement for other meetings as authorized by the Commission as per subsection 1(b) of section 9.2.
- The rates in section 9.2 applies for all other remuneration and per diem amounts not specifically outlined in this section 9.3.
- The Chair is eligible to claim up to the maximum amount per meeting attended as outlined above. The Chair would be paid the amount they claim provided it does not exceed the maximum amount.

#### **9.4 General Remuneration/Reimbursement**

Remuneration for items other than those stated in section 9.2 is as follows:

- Expenses are reimbursed for a Commission member or the Chair attending a social event as a Commission member. The Commission member or Chair is not eligible to charge a meeting fee for attendance at a social event.
- Expenses for meals for the entire Commission are to be paid as incurred, where a claim for per diem is not also being submitted.
- Non-personal expenses directly attributable to Commission functions are to be reimbursed as incurred.
- Parking expenses of \$10 or less, no receipt is required for reimbursement.

#### **9.5 Reimbursement for the Purchase of Electronic Devices for Commission Meetings**

Commission members are required to use electronic devices for paperless Commission meetings. At the expiration of their term, members must destroy all Commission materials on the devices. Remuneration for the purchase of electronic devices or the use of personal electronic devices for Commission meetings is not provided.

#### **9.6 Emergency Medical Insurance Coverage While Travelling**

In the event that a member is required to travel on Commission business, and where the Commission member does not have existing emergency medical insurance coverage while travelling, the member shall obtain adequate insurance.

The purpose of this policy is to indemnify the Commission in the event that a member incurs medical expenses while traveling on Commission business.

Appropriate insurance is available on a per day basis and is dependent on age and health.

Commission members will be reimbursed for the expense of the required insurance. Information regarding travel emergency medical insurance providers is available to Commission members in the resources section of Diligent.



## **9.7 Remuneration/Reimbursement for Outgoing Commission Members**

Remuneration for a member leaving the Commission is as follows:

- A member leaving the Commission after two or more years of service is entitled to receive:
  - A gift, the value of which is not to exceed \$20 per year of service, to a maximum of \$200; and
  - A banquet (expenses are to be reimbursed as incurred).
- Expenses for gifts and banquets:
  - May be reimbursed directly out of the Fund; and
  - The Chair may approve payment/reimbursement.

## **9.8 Reimbursement for Gifts for Non-Commission Members**

If the Commission approves the purchase of a gift for an individual who is not a Commission member, the maximum amount allowed for reimbursement is \$200.

## **9.9 History**

Approval date:	February 16, 2007; January 18, 2008; January 15, 2010; September 20, 2013; November 20, 2015; October 20, 2017; March 16, 2018; June 21, 2019; June 19, 2020; October 16, 2020; April 16, 2021; and November 18, 2022
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## II. Governance

### Section 10 – Educational Program

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#### 10.1 Purpose

In order for the Municipal Employees’ Pension Commission (the Commission) to fulfill its fiduciary responsibilities, each member of the Commission should possess a sound knowledge and understanding of pension related issues to better serve the interests of all members of the Municipal Employees’ Pension Plan (MEPP, the Plan).

Members of the Commission must be in a position to question assumptions dealing with the operation of the Plan, and be able to form independent judgment regarding the soundness and practicality of advice received from their service providers.

To achieve the desired objectives, an education program must address relevant and current legislative and pension industry issues, as well as recognize the most relevant topics of the day.

In order to meet the education goals of the Commission, members of the Commission have decided to implement the following ongoing program for new members joining the Commission and for current Commission members.

Note: attendance at online courses and participating in trainings via teleconference, are acceptable for the purpose of fulfilling the education objectives of the Commission.

## **10.2 Orientation Program for New Members**

Upon appointment to the Commission the new member will receive the following information:

- A list and description of documents that come before Commission members at regular Commission meetings;
- Member booklet;
- Annual Report;
- Administration budget;
- Funding policy;
- Statement of Investment Policies and Procedures;
- Commission meeting minutes from the last 12 meetings;
- Commission meeting schedule for the current year;
- Strategic Business Plan;
- Risk Management Review and Risk Management Plan; and
- A sheet of common acronyms used in the pension industry;

Within three months of appointment to the Commission, the new Commission member will receive an orientation provided by the Planner (Planner ). This orientation will normally occur in two sessions.

As part of Planner 's orientation, the Commission member will be asked to identify any education or specialized training that they have taken that relates to the Commission-Level Special Competencies, duties, and responsibilities outlined in section 4 of the Governance Manual – Charter of Expectations. This information will assist Planner in identifying training requirements for Commission members during the compulsory education phase of the educational program.

During this orientation period, a mentor (either the Commission Chair or an experienced Commission member) will be assigned to the new Commission member to answer questions and offer guidance (refer to section 10.11).

Prior to his or her first Commission meeting, the new member may speak with the Commission Chair in order to prepare for the meeting.

After three Commission meetings, the Supervisor Governance and Legislation, Planner (the Supervisor) will contact the new Commission member to answer any additional questions or address any additional concerns or issues that the new Commission member may have.

### **10.3 Compulsory Educational Program**

The following courses and/or seminars are to be attended by new Commission members within the stated time frame:

- Within one year of appointment to the Commission:
  - A basic or introductory level course on board governance, trust management and administration, and/or fund investment provided by a recognized school or an industry expert identified as appropriate will be outlined in the Education Events information item provided to the Commission at its meetings;
  - A course on basic investment principles facilitated by Planner's Investment Services area; and
  - A basic actuarial principles course(s) facilitated by the Commission's actuary.
  
- Within two years of being appointed to the Commission, a more advanced course on board governance, trust management and administration, and/or fund investment provided by a recognized school or an industry expert as outlined in the Education events as appropriate for second-year trustees.

Commission members who are completing the compulsory educational program will receive individual updates on their progress through the program. If a Commission member is deficient in completing the required training, the deficiency will be highlighted and the next available training date(s) for the course will be provided.

A Commission member who is actively pursuing the above courses is exempt from the obligations found in the ongoing development program for all members. However, all members are strongly encouraged to attend an education event annually.

Note: Advanced Trust Management Standards (ATMS) is offered in two parts (Session A and Session B). Commission members taking ATMS to complete their second-year education requirement will be allowed to take the course over their second and third years of appointment.

Note: The registration fee for the Pension Governance Education Program, presented by the International Centre for Pension Management at the Rotman School of Management, University of Toronto, is more than the annual \$5,000 education allowance for Commission members. In order to allow Commission members to take the training, the annual allowance for a member attending this course will be increased to cover the registration fee and it will be the only education event for which a registration fee applies that a Commission member will be able to attend in the year.

Aside from the courses identified as appropriate education to meet first and second-year education requirements, a Commission member may submit a request to the Supervisor to attend an alternate comparable course. The Supervisor will evaluate whether the course would be suitable as mandatory first- or second-year education or may be more appropriately considered for the ongoing education portion of a Commission member's education program.

#### **10.4 Annual Education Program**

The goal of the annual education program is to address the Commission's education needs with respect to its responsibilities as set out in section 4 of the Governance Manual – Charter of Expectations.

The content of the program is to be driven by the Commission. Biennially, Commission members will complete a training and development assessment (Knowledge and Experience Matrix) that lists attributes and competencies outlined in the Charter of Expectations. Members will identify the areas in which they require further training. Based on the responses, Plannera will design an education program for the Commission's approval.

Education presentations are to occur at regularly scheduled Commission meetings.

## **10.5 Ongoing Developmental Program for All Members**

The Ongoing Developmental Program for All Members is meant to provide Commission members with an opportunity to continually develop their understanding of pension related issues in order to fulfill their fiduciary duties to MEPP members.

This ongoing program will be reviewed periodically to ensure that it addresses current needs as governance practices evolve and new trends develop within the pension industry.

In order to fulfill their ongoing educational needs, members of the Commission, shall each year attend at least one educational event facilitated by an industry-recognized business school, governance institute, or pension and benefits organization, such as, the School of Pension Investment Management, the Canadian Pension and Benefits Institute, the International Foundation of Employee Benefit Plans, or the Association of Canadian Pension Management.

A Commission member who is actively engaged in fulfilling the requirements of the Compulsory Educational Program is exempt from the requirements of the Ongoing Developmental Program for All Members.

Plannera will inform Commission members on a regular basis regarding *ad hoc* courses and/or seminars being offered by the pension industry for Commission consideration.

Commission members who are in the last year of the second term of their appointment are not required to attend an education event and are exempted from any requirement to take further education courses and/or seminars.

## **10.6 Final Year of Appointment**

Expenditures of Plan funds on education by a Commission member who is near the end of his or her tenure with the Commission may give rise to the perception of a lack of value to the Plan. Such expenditures may consequently give rise to the perception that a Commission member is seeking personal enrichment at the expense of the Plan.

This policy applies to any Commission member who is in the final year of his or her appointment to the Commission and is ineligible to serve a subsequent term or who does not intend to serve a renewed term on the Commission.

Commission members who are in the last year of the second term of their appointment are not required to attend an education event and are exempted from any requirement to take further education courses and/or seminars.

Also, any such member who does attend education in their final year shall not engage in any education activity that requires travel outside of the province or is of a greater than nominal cost.

#### **10.7 Commission Member Reporting on Educational Activities**

To support the Commission's accountability to Plan members, Commission members will provide Plannera with a report on educational opportunities attended. The report shall be provided no more than 60 days after the event.

#### **10.8 Commission Extension**

The Commission reserves the right to extend or alter the stated time frame for any course and/or seminar for a member of the Commission as circumstances are warranted and as deemed appropriate.

#### **10.9 Commission Exemption**

The Commission may exempt a member of the Commission from attending a particular course if the member's educational background or work experience warrants such exemption.

#### **10.10 Commission Travel for Education Purposes**

The Commission recognizes that a number of quality education events take place outside of Canada, many of which are within the continental United States. The Commission is of the view that it is not in the best interests of MEPP members to limit Commission member access to education events based on geographic location, but also recognizes the need to be prudent in its expenditures for education. If a course held internationally is also available in Canada, in recognition of fiscal prudence, consideration should be made to attending the Canadian offering if at all possible.

Commission members who are interested in attending an education event outside of Canada and the continental United States are required, prior to attending the event, to provide the Commission with the following information:

- A description of the education event;
- The cost of the event;
- An explanation of how the event meets the objectives of the Commission's education program; and
- An explanation related to why this education (or a comparable education event) cannot be attained within Canada or the continental United States.

### **10.11 Commission Trustee Mentor Program**

*Objective:*

The Mentor Program is intended for new Commission members to help them gain a greater understanding of their fiduciary roles and responsibilities and how the Commission operates within the governance framework.

The assignment of an experienced Commission member to a new member (the mentee) to answer his or her questions about their roles and responsibilities should serve to reduce the mentee's learning curve and help the individual to become more effective in his or her role as a Commission member.

*Role of the Mentor:*

The role of the mentor is to provide a contact point for the mentee to ask questions about issues of how the Commission operates based on the mentor's experience, and to provide feedback on how the mentee is progressing in meeting his or her responsibilities in the conduct of meetings. The mentor also may provide insight into areas of governance and oversight that may have been unclear during his or her initial period on the Commission, or on any issues that the mentor anticipates the mentee may not understand. Mentors will be encouraged (but will not be obligated) to be present at orientation sessions. Mentors are encouraged to provide explanations where necessary regarding materials mentees receive in their orientation binder, and to make any suggestions for preparation for upcoming education events the mentees are required to attend.



### *Role of the Mentee:*

The mentee is encouraged to ask questions of the mentor on any issues that are unclear during meeting discussions, with respect to materials distributed in meeting packages, or current issues that may impact the mentee's role as a Commission member.

### *Assignment of a Mentor:*

Commission members will be asked to indicate if any of them is willing to act as a mentor. A list of potential mentors would be compiled and kept on file, and, each year, Commission members will be asked to confirm that they are still interested in acting as a mentor. If no members voluntarily come forward as potential candidates, the Chair of the Commission will approach eligible Commission members and ask them to consider becoming a mentor.

A Commission member is eligible to participate as a mentor once they have completed at least two years of service on the Commission.

When a new Commission member is appointed, the Chair of the Commission will assign a mentor to the member from the list of potential candidates based on the potential mentor availability. If an appointed mentor is unable to continue a mentorship role, an alternate candidate will be assigned to the mentee.

### *Timeframe and Format of the Mentor Program:*

The mentor relationship will not have a fixed timeframe, but it is anticipated that the period when most activity will take place will be the first six months of the assignment. The mentor relationship can extend beyond the six-month period if the mentor and mentee determine that more time is needed. The format and frequency of meetings will depend on how often the mentor and the mentee need to meet. The mentor and mentee can meet after Commission meetings or at a set time when both individuals are able to make contact with each other. The method of communication will also depend on the needs of the mentee and can take the form of face-to-face meetings, phone calls, or emails where appropriate.

## **10.12 Director Certification**

The Commission recognizes the value of continuing education for members of the Commission, and recognizes the increasing emphasis in the pension industry on director certification.

The Commission is also aware of the financial cost of pursuing director certification, and notes that the cost for an individual to pursue the certification is approximately \$20,000.

Balancing the need to support members of the Commission who undertake ongoing education in the form of a course of director certification with the need to be prudent in its expenditures of member funds, the Commission has developed the following criteria for determining whether to provide financial support to Commission members who pursue certification.

The Commission will consider providing financial support to Commission members pursuing certification on the following conditions:

- The Commission member has completed the orientation program for new members set out in section 10.02 of this Governance Manual;
- The Commission member has completed one year of service on the Commission and has fulfilled all of the first-year educational program requirements within the first year of the member's term; and
- The Commission member's course of certification will be completed during the member's current appointment to the Commission.

Where a member's appointment will end during the intended course of certification, the Commission may determine on a case-by-case basis the appropriateness of providing financial support, taking into account a member's intention to serve a renewed appointment to the Commission.

### **10.13 History**

Approval date:	September 21, 2007; November 21, 2008; November 26, 2009; September 21, 2012; November 16, 2012; November 25, 2016 and September 15, 2017; November 19, 2021
Last review:	October 20, 2023
Next scheduled review:	October 2024

## II. Governance

### Section 11 – Conduct of Meetings

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#### 11.1 Purpose

The purpose of this policy is to provide the rules and procedures regarding the conduct of Municipal Employees’ Pension Commission (the Commission) meetings.

#### 11.2 Commission Meetings

The Chair shall, in consultation with the Commission, determine the frequency of meetings of the Commission whenever they consider it necessary to ensure the proper administration of the Act. The Plannera Pensions & Benefits (Plannera ) will provide each member of the Commission with a schedule of meetings in each fiscal year.

Nine regular Commission meetings are currently scheduled in a fiscal year. Regular Commission meetings are held on the third Friday of each month, with the exception of the months of July, August, and December. One Strategic Planning meeting is also held annually.

If the circumstances require, the Chair may cancel any meeting of the Commission and decide on the rescheduling of the meeting. The decision to cancel or reschedule a meeting will be made and notice given to the Commission at least forty-eight (48) hours prior to the originally scheduled date.

In circumstances where notice is not possible such as when quorum is not met on the day of the meeting, the Chair shall cancel the meeting in consultation with the members present. A record should be kept stating the reason(s) for the cancellation of the meeting.

### **11.3 Venue**

The meetings of the Commission shall be held at the office of Plannera in Regina, Saskatchewan or such other place, or in any other manner, as may be determined by the Commission.

### **11.4 Absenteeism of Commission Members**

Members of the Commission are expected to attend all meetings of the Commission. Should a member not attend three or more scheduled Commission meetings in a fiscal year, such absenteeism will be reported to the appropriate appointing body or association.

The Commission publishes a summary of Commission member attendance at meetings of the Commission in the Municipal Employees' Pension Plan Annual Report.

Commission members participating in a meeting via teleconference or videoconference are deemed to be attending the meeting.

### **11.5 Agenda**

Plannera shall distribute an agenda, for the next scheduled Commission meeting, to each member of the Commission at least one week prior to such meeting.

## **11.6 Quorum**

At least 50 per cent of the Commission, or six members, including the Chair or Vice-Chair is required to reach quorum.

Commission members participating in a meeting via teleconference or videoconference are deemed to be attending the meeting for the purposes of meeting quorum.

## **11.7 Voting**

Each member of the Commission, including the Chair, shall have one vote. Motions shall be carried by majority vote. In the event of a tie, the motion is defeated.

Where a member of the Commission opposes the majority decision of the Commission, the member must provide Plannera with a statement of their dissent in order to receive an exemption from liability. The statement must identify the decision to which the dissent refers and the reasons for the dissent. The statement of dissent must be provided to Plannera at least 12 calendar days prior to the subsequent meeting of the Commission.

## **11.8 Decisions of the Commission when a meeting is not possible**

Where a decision of the Commission is required in a timeframe that does not allow for a meeting of the Commission, and the decision is not one that the Chair may make on their own as authorized in section 4.5 of the Commission's Governance Manual, the Assistant Deputy Minister, Plannera (ADM) or the ADM's delegate, will recommend that the Chair engage the following process:

### ***Commencement***

- The Chair will direct Plannera to commence the process.

### ***Notification of Commission members***

- Plannera will contact all members of the Commission at the earliest opportunity to determine whether quorum can be met.

- Plannera will provide no fewer than four days' notice of a required decision, if possible, and as much notification as time permits. In emergency situations, requiring a decision within 24-48 hours, a shorter notice period will be provided.
- Plannera will distribute the decision materials and recommendation via Diligent Boards and inform Commission members when the information is available.
- Plannera will, in consultation with the Chair, communicate a deadline for all Commission members to vote on the motion in the Diligent Boards application.

***Teleconference or Videoconference (optional)***

- The Chair will determine whether a teleconference or videoconference to discuss the issue is necessary, considering any time constraints. If a teleconference or videoconference is found to be necessary, the Chair and/or Plannera will schedule and facilitate a teleconference or videoconference with the available Commission members.
- If a decision is made during a teleconference call or videoconference, Plannera will draft a record of the decision.

***Voting***

- Plannera will monitor the voting and notify Commission members via email when the decision is made.
- Plannera will draft a record of the decision.

***Follow-up and Communication***

- Plannera will communicate the Commission's decision to the appropriate parties.
- The Commission will review and approve the record of the decision at the first possible opportunity following the decision.

**11.9 Minutes**

A Plannera staff member will be the Recording Secretary for Commission meetings. The Recording Secretary shall record written minutes of each

Commission meeting and Plannera will distribute such minutes to each member of the Commission at least one week prior to the next scheduled Commission meeting.

### **11.10 Confidentiality**

To ensure open and frank deliberation among Commission members, subject to the following paragraph, all matters discussed at Commission meetings and individual positions on any subject matter will be held in strict confidence.

Members of the Commission may communicate motions which have been approved by the Commission, to the party or parties involved. Detailed communication of approved motions must be released through the Chair.

Any material of a confidential nature in the possession of Commission members must be held in a secure location and out of public view. Any material, provided to Commission members on paper, which contains the name or names of members of the Plan, must be returned to Plannera following the completion of a Commission meeting, with the exception of minutes, which may be retained by Commission members.

The decision to release Minutes of Commission meetings is at the discretion of the Commission, and requests will be considered on a case-by-case basis.

### **11.11 In Camera Sessions**

There will be a regular *in camera* session on each meeting agenda, however a member of the Commission may request an *in camera* session during the course of a Commission meeting, providing that such request has the support of a majority of the Commission members.

All members of the Commission, the Recording Secretary, if requested, and any other participants invited by the Commission, shall attend an *in camera* session. Minutes shall be recorded when the Commission provides direction on an issue or when a decision is made during an *in camera* session.

In the event that the Recording Secretary is not present to record the minutes of an *in camera* session, the Chair of the Commission shall appoint one individual Commission member to record the minutes, and these minutes will be kept in a secure location separate from the regular meeting minutes.

*In camera* sessions shall be held to discuss items of a confidential nature.

### **11.12 Conflict of Interest**

At each meeting of the Commission, the Chair will call for members to disclose any possible personal conflict of interest for items on the agenda and the results will be recorded in the meeting minutes.

### **11.13 History**

Approval date:	January 21, 2005; June 21, 2006; November 16, 2007; January 20, 2012; September 20, 2013; November 15, 2013; June 18, 2014; March 16, 2018; June 19, 2020 June 18, 2021; September 17, 2021; and November 18, 2022
Last review:	October 20, 2023
Next scheduled review:	October 2024



## II. Governance

### Section 12 – Code of Conduct and Conflict of Interest Procedures

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#### 12.1 Purpose

The purpose of this policy is to establish and document guidelines for conduct required of all members of the Municipal Employees’ Pension Commission (the Commission). The guidelines have been developed to create and sustain a business culture that promotes sound decision-making by the Commission.

The purpose of establishing conflict of interest procedures goes beyond ensuring compliance with minimum statutory requirements. They provide a workable process for identifying, minimizing and resolving conflicts of interest, in order that Commission members may fulfill their fiduciary obligations effectively while maintaining their independence and integrity.

The following guidelines and procedures have been developed to ensure that Commission members have a full understanding of the Commission’s principles and values, and to assist Commission members in determining appropriate business practices and behavior.

The Commission recognizes the need to review these guidelines and procedures on an annual basis and has determined that all Commission members are to acknowledge the guidelines and procedures by signing them upon appointment to the Commission, each time they are amended and, in any event, no less than upon each annual review.

## **12.2 Application**

These guidelines and procedures govern the operation and conduct of members of the Commission in the execution of their duties and responsibilities under *The Municipal Employees' Pension Act and Regulations*.

## **12.3 Fiduciary Duties**

These duties apply to the members of the Commission in their capacity as trustees of the Municipal Employees' Pension Fund (the Fund) and as administrators of the Municipal Employees' Pension Plan (the Plan).

- *Duty of Loyalty*

The duty of loyalty requires members of the Commission to act honestly and in good faith, and in the best interest of all plan members. Furthermore, members of the Commission must consider the effect of their individual actions on the integrity and credibility of the Commission as a whole.

- *Opportunities Acquired Through Commission Business*

Members of the Commission must not take personal advantage of business opportunities of which they become aware in the course of carrying out their duties as Commission members.

Similarly, confidential information obtained as a result of Commission business must not be used for personal profit, or for the personal benefit of others.

- *Duty to Protect Confidential Information*

Commission members must at all times keep confidential all information, proprietary material and records received by them in their capacity as members of the Commission. Confidential information may only be disclosed if it is otherwise generally available to the public, if the disclosure is required by law, or if the disclosure is consistent with the purpose for which the information was obtained.

- *Post Service Restrictions*

Commission members who cease to serve on the Commission must continue to refrain from taking improper advantage of their previous position. Former members of the Commission must continue to observe the duty to protect confidential information, unless they have received written authorization from the Chair of the Commission to disclose the information. Furthermore, former members of the Commission must not use confidential information or opportunities acquired as a result of Commission business for personal gain, or for the personal benefit of others.

#### **12.4 Duty of Care**

In exercising their powers as trustees of the Fund and administrators of the Plan, it is the explicit duty of every member of the Commission to exercise the care, skill and diligence that a reasonably prudent person would exercise in comparable circumstances.

In fulfilling this duty, members of the Commission have a responsibility to ensure that they obtain expert advice to acquire the necessary information required to make informed decisions for the effective and timely operation of the Plan.

Commission decisions must be made pursuant to sound business practices respecting established policies and procedures.

Improper or ill-advised decisions can be costly to the Plan. Commission members should undertake the training or educational opportunities necessary to ensure that they have a sufficient level of knowledge and understanding to fulfill their duties.

The Commission has established its mission, and Commission members should take actions which are consistent with the mission and the policies which support it.

Though the Commission may delegate activities to its service providers, the Commission retains responsibility for oversight of the Plan, and Commission members should be engaged in reviewing the performance of the Plan and its success in meeting its goals.

## 12.5 Ethical Standards

Members of the Commission should adhere to the following standards when exercising all of their duties and responsibilities:

- *Preferential Treatment*

Commission members must not use their position to benefit persons or organizations in their dealings with the Plan if this may be perceived to result in preferential treatment to such persons or organizations.

- *Gifts, Benefits and Entertainment*

Commission members should not accept gifts, benefits, entertainment or other personal favours, which would create, or appear to create, a favoured position for persons or organizations doing business with the Plan.

Commission members must not solicit or accept gifts, benefits, entertainment or other personal favours in exchange for, or as a condition of, the exercise of their duties or as an inducement for performing an act associated with the duties and responsibilities of their position.

Members of the Commission may generally accept gifts, hospitality or other benefits, of nominal value, associated with the duties and responsibilities of their position, if such gifts, hospitality or other benefits:

- are within the bounds of propriety, a normal expression of courtesy, or within the normal standards of hospitality;
- would not bring suspicion on the Commission member's objectivity and impartiality; and
- would not compromise the integrity of the Commission.

- *Communication and Public Comment*

The Plan has the responsibility to communicate with its members and beneficiaries in a timely, accurate, and transparent manner. This communication is generally provided by the Plan, rather than by individual Commission members.

In the instance where communication directly from the Commission is necessary, public announcements or comments will be the responsibility of the Chair, unless approved otherwise by the Commission.

Members of the Commission must refrain from making public announcements or comments regarding the activities of the Commission and the operation of the Plan, unless the member has been authorized by the Chair to do so or the information being disclosed has already been made available to the public by the Commission. Commission members must avoid making public comments which are likely to bring the Commission into disrepute or adversely affect the operation of the Plan.

Commission members must not misrepresent the Plan in any communications, including oral representations, electronic communications, or written materials, whether publicly disseminated or not.

- *Commission Independence*

Although members of the Commission are appointed by various appointing bodies and associations, their primary duty and responsibility is to all members of the Plan. Commission members must not serve the interests of specific groups or associations.

- *Compliance with Laws*

Members of the Commission must at all times be aware of all laws, rules and regulations applicable to the Plan and comply with those laws, rules and regulations in the course of performing their duties with respect to the Plan.

Members of the Commission must conduct their personal affairs with integrity, and must report any violation of:

- (a) the Code of Conduct and Conflict of Interest Procedures;
- (b) any statute that may apply, directly or indirectly, to the administration of the Plan; or
- (c) any charge or conviction under the *Criminal Code* (Canada) that involves dishonesty or would affect the ability of the member to fulfill his or her duties with respect to the Plan.

Where a violation or conviction occurred prior to, or a charge is outstanding on the date of the appointment of the member to the Commission, the report must be made prior to the first meeting that the member of the Commission attends. Where a violation, charge or conviction occurs after the appointment of the member to the Commission, the report must be made prior to the first meeting after it occurs.

Commission members must report criminal or other illegal or unethical conduct by any other Commission member of which they may become aware, including any potential violations of the Code of Conduct and Conflict of Interest Procedures.

Such reports shall be made at the earliest possible opportunity and in any case no later than the next following regularly scheduled Commission meeting.

Reports are to be made to the Commission Chair. Where the individual with the duty to report is the Commission Chair, that individual shall report to the Vice-Chair. In the event that a member is uncertain as to whether any action or conduct falls within the duty to report, the member must consult the Chair whose determination of the question will be final.

The Chair (or Vice-Chair) may determine that the violation, charge or conviction renders the participation of the member in decisions of the Commission inappropriate, and may exclude or restrict the member of the Commission from participating in some or all of the decisions of the Commission. Unless it becomes necessary for the report to be used for this purpose, the report and any information provided for the purpose of consultation respecting a report shall be kept confidential by the person to whom it is provided.

Subsection 15(1) of *The Trustee Act, 2009* provides the conditions under which a person becomes disqualified to act as a trustee. Specifically, a person becomes disqualified to act as a trustee if that person:

- a) Dies;
- b) Disclaims the trust or refuses to act as trustee;
- c) Lacks capacity;
- d) Is a minor;
- e) Is convicted of an offence involving dishonesty;
- f) Is an undischarged bankrupt;
- g) Resigns from the trust; or
- h) Is a corporate trustee that is not registered, if required by the law to be registered, or is not licensed, if required by law to be licensed.

Commission members must report when they satisfy a condition, aside from item (a), which would disqualify them from acting as a trustee.

Reports are to be made to the Commission Chair. Where the individual with the duty to report is the Chair, that individual shall report to the Vice-Chair.

The Chair (or Vice-Chair) shall report to the body or bodies appointing the Commission member that the member is no longer qualified to be a trustee.

## **12.6 Conflict of Interest Procedures**

These procedures apply to members of the Commission with respect to their responsibilities as trustees of the Fund, administrators of the Plan, and decision-maker with respect to disputes regarding the Plan.

Members of the Commission shall not knowingly permit their interests, actual or perceived, monetary or otherwise, direct or indirect, to conflict with the proper exercise of their duties and responsibilities.

Commission members should familiarize themselves with the range of actions which may be taken to respond to a conflict of interest or ethical issue. Although not exhaustive, the following actions may be taken to remedy or avoid a possible conflict of interest or ethical issue.

### *Disclosure*

At the beginning of each Commission meeting Commission members are asked if they have, or know of, any actual, perceived, or possible conflicts of interest.

If a disclosure is made, the Commission will discuss how to proceed with the disclosure. The disclosure will be recorded in the register (see page 8).

Members of the Commission shall disclose in writing the nature and details of any actual, perceived or possible conflicts of interest, which could impair their ability to make unbiased decisions affecting the Plan. Such disclosure shall be made to the Chair or Planner Pensions & Benefits (Planner) as soon as practicable after the conflict of interest has been discovered by the Commission member. In the event that the member is the Chair, disclosure must be made to the Vice-Chair or Planner.

The Chair will have Planner table the matter at the next regularly scheduled Commission meeting. The Chair, in consultation with the Commission (excluding the member who is in conflict of interest), will determine the appropriate action under the circumstances.

Should a Commission member discover an actual or perceived conflict of interest during the course of a Commission meeting, the member must immediately declare the conflict of interest.

The Chair, in consultation with the Commission (excluding the member who is in conflict of interest), will determine the appropriate action under the circumstances.

- *Register*

Plannera shall maintain a register of all actual, perceived or possible conflicts of interest disclosed by members of the Commission.

The register shall contain a description of each conflict of interest and the name of the Commission member to whom the conflict of interest applies, the date upon which the conflict of interest arose and was subsequently disclosed by the Commission member, and the manner in which the conflict of interest was dealt with by the Commission.

- *Abstaining from Vote and Discussion*

Members of the Commission who have disclosed a conflict of interest, or who are required to disclose an actual or perceived conflict of interest, shall not participate in any discussion, decision or vote relating to any transaction involving the aforementioned conflict of interest. Such members must consult with the Commission to determine whether or not it is appropriate to leave the meeting during discussion of the matter.

Where a Commission member has disclosed a conflict of interest, the member may continue to participate in the discussion, decision or vote, despite the conflict of interest, by obtaining prior approval from the Commission. The approval to participate should be noted by Plannera in the register.

- *Other Business Activities*

Members of the Commission engaging in any other business activities, directly or indirectly, which may conflict with or are in competition with their duties and responsibilities as Commission members, must make full disclosure of such activities to the Chair of the Commission or Plannera .

Adhering to the *Disclosure* procedures in this section, a resolution to the matter will be undertaken by the Commission. The Commission should determine whether an actual or perceived conflict of interest exists, and the appropriate action under the circumstances.



The Chair will advise the Commission member, who is in conflict of interest, to comply with one of the following options determined by the Commission:

- discontinuation of the activity;
  - appropriate action to remedy the situation; or
  - consent to the activity.
- *Gifts, Benefits, and Entertainment*

It is deemed a conflict of interest if, without the consent of the Commission, a member of the Commission accepts gifts, benefits, entertainment, or other personal favours of more than token or nominal value from persons or organizations doing business with the Plan. Any person or organization offering such inducements must be advised to discontinue the practice immediately if a sustained business relationship is to continue with the Plan.

Similarly, Commission members must not offer gifts or favours to persons or organizations in order to secure preferential treatment for the Plan.

Inappropriate gifts or benefits that are received by members of the Commission, which violate Section 12.5 – Ethical Standards, should be returned to the donor as soon as practicable. Where the donor may perceive the return of an inappropriate gift or benefit as offensive, for cultural or other reasons, the Commission member must make full and immediate disclosure of receipt of the gift or benefit. Such gift or benefit must be delivered to the Commission, which will determine the suitable disposition of the item.

## **12.7 Consequences of a Breach**

In the event of a breach of the Code of Conduct and Conflict of Interest Procedures, or a failure to remedy or disclose an actual or perceived conflict of interest, the consequences of such infractions should reflect the nature, magnitude and seriousness of the breach.

The following are examples of possible consequences, which the Commission may consider, when dealing with a breach of the Code of Conduct and Conflict of Interest Procedures:

- the Commission member may be offered the opportunity to resign from the Commission;
- the Commission may recommend to the appointing body and/or association to terminate the appointment of the Commission member to the Commission;

- the Commission member may be required to make full restitution to the Commission of any personal gain acquired as a result of the breach, for disposition by the Commission;
- the Commission may consider taking legal action against the Commission member; and
- if the Commission member is in breach of the law, the Commission will report the Commission member's action to the proper authorities.

This list of consequences is not exhaustive, and does not preclude any other course of action, which the Commission may deem appropriate under the circumstances.

## **12.8 Avoidance of Bias**

These procedures apply to members of the Commission with respect to their responsibilities as decision-makers (e.g. dispute resolution) with respect to disputes regarding the Plan.

Members of the Commission shall not knowingly permit any relationship or other circumstances, either in the past or the present, to be perceived as a possible reason for the member to hold a bias either in favour or against a party with respect to whom a decision is to be made.

Commission members should familiarize themselves with the range of actions that may constitute a potential bias issue, and the actions that might be taken to respond to the issue. A potential bias issue may arise as a result of circumstances such as:

- the member has a personal or business relationship with a party;
- the member is a member of an organization in which the party is also a member;
- the member has information about the party which has not been placed before the other members of the Commission as part of the decision-making process;
- the member has expressed views in public respecting the subject matter of the decision; and
- the member has communicated directly with one of the parties respecting the subject matter of the decision.

This list is not exhaustive. If a member of the Commission is aware of any circumstances which might give rise to a bias issue, the member must disclose the circumstances to the Chair of the Commission or Plannera at the earliest opportunity.

In the event that the member is the Chair, disclosure must be made to the Vice-Chair or Planner. The Chair may:

- remove the member from the panel of members that are making the decision;
- if the Chair is of the opinion that the circumstances may not warrant the removal of the member, the Chair shall disclose the circumstances to the parties and provide them with an opportunity to make representations to the Commission with respect to the ability of the member to participate in the hearing; and
- the Commission shall determine the extent, if any, to which the member may participate in the hearing.

A member cannot be removed from the panel where doing so would mean that a quorum of members would not be present. A member is not required to disclose a relationship that is inherent in the manner of the member's appointment, such as being a member of the Plan or a member or employee of a body that is entitled to appoint a member of the Commission.

## **12.9 Commission Member's Acknowledgement**

I ACKNOWLEDGE that I have read and considered the Code of Conduct and Conflict of Interest Procedures for members of the Municipal Employees' Pension Commission, and as a member of the Commission, agree to conduct myself in accordance with the Code of Conduct and Conflict of Interest Procedures as it applies to members of the Commission.

I UNDERTAKE to affirm in writing that I have read, understood and will comply with the most recent version of the Code of Conduct and Conflict of Interest Procedures for members of the Municipal Employees' Pension Commission.

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Signature

## **12.10 History**

Approval date:	September 16, 2005; November 16, 2007; September 18, 2008; September 17, 2010; and November 26, 2010
Last Review	October 20, 2023
Next scheduled review:	October 2024

## II. Governance

### Section 13 – Governance: Periodic Self-Assessment

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#### 13.1 Purpose

An effective governance system is a good method of overall risk management. Controlling legal and other risks facing the Municipal Employees’ Pension Commission (the Commission) is one of the benefits of good governance practices. An equally important and transparent benefit of effective governance is the reliable assurance to members of the Municipal Employees’ Pension Plan (MEPP, the Plan) that the Plan is capable of providing benefits presently and into the future.

The MEPP Governance Self-Assessment and Commission Self-Assessment Questionnaires have been designed to assist members of the Commission in assessing their own performance and determining where weaknesses that require corrective measures exist.

The self-assessment process also offers an opportunity for the Commission to share responsibility for the pension benefit delivery with other stakeholders. Transparency of information about existing conditions, decisions, and actions is integrally related to accountability. Reporting the Governance Self-Assessment results provides accountability to interested stakeholders and is consistent with the recommendation by the Joint Task Force on Pension Plan Governance and with the Canadian Association of Pension Supervisory Authorities (CAPSA) *Pension Plan Governance Guidelines* for industry best practices.

#### 13.2 About the Questionnaires

Three questionnaires form the basis of the governance self-assessment process. The objective of these evaluations is to enhance the performance of individual Commission members in an effort to strengthen the MEPP governance capabilities of the Commission as a whole.

The questionnaires are as follows:

1. Commission Self-Assessment Survey
2. Pension Plan Governance Self-Assessment Questionnaire
3. Pension Plan Prudent Investment Practices Guideline

1. Commission Self-Assessment Survey

Annually, at the end of each fiscal year of the Plan, the Commission Self-Assessment Survey will be completed by each member of the Commission. Commission members will complete the questionnaire within 30 days of receipt of the notice of the questionnaires being ready. All individual surveys completed by members of the Commission will be held in strict confidence.

A report of the results of the first questionnaire will be provided to the Commission for its own personal use. This report is intended solely for internal use by the Commission.

2. Pension Plan Governance Self-Assessment Questionnaire

The Pension Plan Governance Self-Assessment Questionnaire is modeled on and reflects the principles contained in *CAPSA Pension Plan Governance Guidelines and Self-Assessment Questionnaire* and is recommended as a useful tool for pension plan trustees and administrators in assessing their own plan's performance. Responses to the questions should be thorough and analytical in order to reflect the current situation of the Plan, thus pointing out areas that require improvement.

This questionnaire will be completed by the person or persons who possess the best knowledge of the answer to each question. The questionnaire will be completed annually, at the end of each fiscal year of the Plan, and will be approved by the Commission.

A report of the results, once approved by the Commission, will be made available to all interested stakeholders through the Plan's website.

3. Pension Plan Prudent Investment Practices Guideline

The Pension Plan Prudent Investment Practices Guideline is recommended as a useful tool for pension plan trustees and administrators in assessing their investment management processes. The assessment questionnaire will be completed on an exception reporting basis as investment processes change and there is a requirement to re-examine the Commission's compliance with the CAPSA guideline.

**13.3 History**

Approval date: February 18, 2005; September 21, 2007; April 17, 2009;  
October 16, 2009  
Last review: October 20, 2023  
Next scheduled review: October 2024

### III. General

#### Section 14 – Complaint Process

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#### 14.1 Purpose

The Municipal Employees’ Pension Commission (the Commission) is committed to making timely decisions in an open and consultative manner, in accordance with the principles of procedural fairness and natural justice, to ensure fair and equitable treatment of all parties involved.

The Complaint Process provides the parties in a dispute with an opportunity to have their respective points of view considered by the Commission before the matter in dispute is decided.

The parties to a dispute may be any combination of the following:

- a member of the Municipal Employees’ Pension Plan (the Plan);
- an employee of a participating employer in the Plan;
- a participating employer in the Plan; and
- MEPP’s administration.

The Commission’s authority to resolve disputes is derived from Section 64 of *The Municipal Employees’ Pension Act*, which states as follows:

***“Decision of commission final***

*64 When a question arises as to the application, interpretation or intent of this Act or the regulations it shall be determined by the commission whose decision shall be final.”*

## 14.2 Process

Unresolved member questions are initially addressed by the Pension Administration branch and employer questions by the Education and Engagement branch. On request, a response will be provided in writing, the Plan Manager will respond to members and an Employer Relations Coordinator will respond to employers.

- If it is determined that the inquiry is administrative, a response will be provided in writing. If a member or an employer is unsatisfied with the response, they will be asked to submit a written description of their complaint to the Commission.
- If it is determined that the inquiry requires an interpretation of the Act or regulations, the member or employer will be asked to submit a written description of their complaint to the Commission.

The Commission has determined that the following process must be followed in order for a matter to come before the Commission for a decision:

1. A complaint is to be filed in writing, by the party or parties in dispute, with the Director, Policy and Governance, at the Plannera Pensions & Benefits by email at [complaints@plannera.gov.ca](mailto:complaints@plannera.gov.ca) or at the following address:

Municipal Employees' Pension Commission  
c/o Director, Policy and Governance  
Plannera Pensions & Benefits  
110-1801 Hamilton Street  
Regina, Saskatchewan  
S4P 4W3

In order to maintain neutrality throughout the process, the Director will assume the position of the Executive Secretary to the Commission.

2. The Executive Secretary will promptly inform all members of the Commission that a complaint has been filed, affording all Commission members the ability to respond appropriately, and in keeping with the Commission's Code of Conduct and Conflict of Interest Procedures (Section 12 of this Governance Manual) to any inquiries on the matter they may receive. The Director will provide Commission members with the names of the parties in dispute, but will not provide any further information with respect to the dispute.



3. The Executive Secretary will research the complaint and prepare a report containing full details of the matter in dispute, a copy of which will be provided to each party having an interest in the matter together with a request for submissions with respect to the matter in dispute.
4. The Executive Secretary will review the submissions from the parties. The review is to determine whether additional issues have been raised or additional parties have been identified which may require additional submissions in order for the Commission to have before it everything it needs to make an informed decision.
5. The Executive Secretary will provide a copy of the submissions from each party to the other parties for their review, and shall provide each party with the opportunity to reply to the submissions of the other party or parties.
6. The Executive Secretary will review the replies from the parties. The review is to determine whether additional issues have been raised or additional parties have been identified which may require additional submissions in order for the Commission to have before it everything it needs to make an informed decision.
7. A party to the dispute may request to make a presentation in person to the Commission when it meets to hear the matter. A party cannot request a presentation in person in lieu of a written or emailed submission. The request must state the reason for the request and provide submissions as to why the written or emailed materials would not be sufficient for the Commission to make a decision on the dispute. The Director will inform all parties with an interest in the matter of a party's request to appear in person before the Commission and provide the parties with an opportunity to:
  - a. make submissions with respect to the request; and
  - b. notify the Commission whether, if the request is granted, they wish to also make a presentation in person to the Commission.
8. The Executive Secretary will place a request pursuant to paragraph 7 together with the report and all submissions, responses and documentation relating to the matter in dispute on the agenda for the next available meeting of the Commission. If the Commission decides to grant the request, the Commission will either:
  - a. schedule a hearing of the matter for the next available Commission meeting; or
  - b. strike a Hearing Committee of three or more members to schedule and hold a hearing of the matter on behalf of the Commission.

If the Commission decides not to grant the request, the Commission will proceed to make a decision with respect to the dispute based on the written or emailed materials submitted by the party or parties.

9. Where the Commission grants a request pursuant to Paragraph 7, the Chair or the person designated as the Chair of the Hearing Committee, shall determine the procedure for making the presentations and may:
  - a. permit further documents to be filed at the hearing;
  - b. permit the parties to ask questions of the party making a presentation; or
  - c. adjourn the hearing to permit a party to respond to any document or information that had not been disclosed in the written or emailed submissions.
10. In the absence of a request pursuant to Paragraph 7, the Director will place the report and all submissions, responses, and documentation relating to the matter in dispute before the next available meeting of the Commission, which will make a decision based upon the materials submitted by the party or parties.
11. The Commission will render its decision in writing or by email, stating:
  - a. the decision; and
  - b. the reasons for the decision.

The decision by the Commission is final and will be communicated in writing or by email to all the parties involved in the dispute.

12. The Commission may review a decision, should the party or parties in dispute provide new information which was not available at the time of the initial decision, where the Commission considers it appropriate and no other party is prejudiced by the review.

### **14.3 Commission's Point of Reference for the Complaint Process**

The Commission will make its decision based on its interpretation of *The Municipal Employees' Pension Act and Regulations*, and may consider established policy practices and previous decisions that it considers relevant.

#### **14.4 History**

Approval date: January 21, 2005; June 20, 2007; November 18, 2022; September 15, 2023  
Last review: October 20, 2023  
Next scheduled review: October 2024

### III. General

#### Section 15 – Commission Liability

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#### 15.1 Purpose

Subsection 13(1) of *The Municipal Employees’ Pension Act* establishes the Municipal Employees’ Pension Commission (the Commission) as the trustee of the Municipal Employees’ Pension Fund (the Fund). As trustees of the Fund, the Commission collectively, or its members individually, may from time to time find themselves subject to legal actions brought forward by a beneficiary or beneficiaries of the trust or other interested parties regarding actions taken by the Commission with respect to the investment or disposition of funds in the trust or the incursion of expenses related to the trust.

#### 15.2 Commission Member Indemnification

A trustee is permitted to be indemnified out of the property of the trust for a liability incurred in the course of administering the trust, provided that the trustee has acted honestly and prudently. In addition, section 43 of *The Trustee Act, 2009* provides the following:

- 43 (1) In this section, ‘trustee’ includes a former trustee.
- (2) A trustee:
- (a) is accountable only for money and securities actually received by the trustee even though the trustee signed a receipt for the sake of conformity; and

(b) is answerable and accountable only for the trustee's own acts, receipts, neglects or defaults, and not for those of any other trustee, nor for those of any banker, broker or other person with whom the trust money or securities mentioned in clause (a) are deposited.

(3) A trustee may reimburse himself or herself for, or pay or discharge out of the trust money, all expenses reasonably incurred in or about the execution of the trustee's trust or powers.

(4) A trustee may:

(a) be indemnified out of trust money with respect to:

- (i) liabilities and expenses, including an amount paid to settle an action or satisfy a judgment, arising out of any matter or thing done honestly and in good faith relating to the exercise or attempted exercise of the powers and duties of the trustee; and
- (ii) legal fees and costs relating to a claim for which this subsection provides an entitlement to an indemnity; and

(b) receive out of the trust money an advance of money for the purpose of meeting an expense for which the trustee may be reimbursed or indemnified pursuant to this section.

(5) A trustee shall repay the money advanced to the trustee pursuant to clause (4)(b) if the trustee is found not to be entitled to be reimbursed or indemnified with respect to the expense for which the advance was made.

A trustee who has not acted honestly and prudently will not be eligible for indemnification by the trust. The purpose of clause 43(4)(b) of *The Trustee Act, 2009* is to recognize that the process of responding to a legal claim and establishing the trustee's honesty and prudence in their conduct as a trustee can involve expenses causing significant financial hardship to the individual trustee.

In order to avoid conflicts of interest that arise by the very nature of the circumstances in which this policy would apply, the Commission has adopted criteria which, if met, will entitle the Commission and its members to access funds from the Fund for the purpose of undertaking a reasonable response to a claim without having to seek approval from the Commission.

The guiding principle behind the policy is that in all cases the Commission member must have acted honestly and in good faith, and the onus lies with the Commission member to provide such information as may be required to make that determination.

### **Accessing Moneys from the Trust in Advance of a Determination of Liability – One Commission Member Named in Claim**

Section 43 of *The Trustee Act, 2009* allows for a Commission member to access funds in the trust to pay legal expenses in advance of the determination of whether the Commission member (or members) in question has acted honestly and prudently. The Commission's procedure for where a Commission member requires access to funds in the trust for that purpose is as follows:

1. Where a Commission member has been served with a Statement of Claim which in the Commission member's opinion will require that they seek legal representation, the Commission member will request in writing, via the Director, Policy and Governance, Plannera Pensions & Benefits (the Director), that the Ministry of Justice or such other legal counsel as may be providing legal services to the Commission, assist the Commission member in responding to the claim.
2. Should the Commission's legal counsel decline the Commission member's request for assistance in responding to the claim, on grounds other than that, the Commission member has, in the opinion of counsel, acted dishonestly or in bad faith, the Commission member may retain legal counsel of his or her own choosing. The Commission member and legal counsel shall make an initial determination as to whether it may or will be necessary and appropriate, based on an initial assessment of the nature, merits, and scope of the claim, to access funds in the trust on an advance basis in order to provide an adequate response to the claim.
3. Where the Commission member, in conjunction with legal counsel, determines that an advance will be necessary, the Commission member shall provide to the Director, the following documentation:
  - A certified true copy of the Statement of Claim;
  - A written legal opinion from the member's legal counsel as to the applicability of section 43 of *The Trustee Act, 2009* to the circumstances of the claim;
  - An estimate of what the total fees and expenses will be to provide an adequate response to the Statement of Claim; and
  - If applicable, any outstanding invoice(s) received from the legal counsel as of the date of the Commission member's application to access moneys in the trust.
4. The Director will review the submission from the Commission member and undertake such investigation as the Director feels is necessary in order to determine whether the Commission member is entitled to an advance of funds pursuant to this policy.

5. The Director may seek the advice of the Ministry of Justice or such other legal counsel as may be providing legal services to the Commission in the course of determining whether the Commission member is entitled to an advance of funds pursuant to this policy.
6. Where the Director is satisfied that the Commission member is entitled to an advance of funds pursuant to this policy, the Director shall advise the Commission member in writing of the decision and shall prepare a report for the information of the Commission.
7. Where the Director is satisfied that the Commission member is not entitled to an advance of funds pursuant to this policy, the Director shall advise the Commission member in writing of the decision together with the reasons for the decision.
8. The decision of the Director is final.
9. Where the Commission member's claim for an advance of funds is successful, and until the claim against the Commission member is determined or otherwise settled, the Commission member will provide any invoices for claim to the Director who will take any such steps as may be necessary to verify the claim and authorize it for payment.
10. At each meeting of the Commission subsequent to a successful application for advance payment from the trust fund, the Director will provide a report for the information of the Commission indicating:
  - the details and amount of all invoices received with respect to the matter;
  - a cumulative total of all moneys to date paid out of the trust with regard to the matter;
  - any information that might affect the eligibility of the Commission member to continue receiving funds; and
  - the amount initially estimated by the Commission member.
11. The Director may at any time inquire of the applicant as to the status of the claim and where the Director is of the opinion that further explanation and details for an updated estimate of expenses in the matter may be required, the Director may request such further explanation and details of the applicant Commission member, reserving the right to suspend further advances from the fund until such time as the applicant Commission member provides same.
12. At the conclusion of the claim, the Director shall provide a report to the Commission containing such information as the Commission may reasonably

require in order to determine whether the amounts advanced from the Fund are amounts to which the Commission member would be entitled to be indemnified, and if not, whether steps should be taken for the recovery of those amounts.

### **Accessing Moneys from the Trust in Advance of a Determination of Liability – More than One Commission Member Named in Claim**

More than one Commission member may be named in a Statement of Claim and it may be necessary for more than one Commission member to access funds from the trust in advance in order to respond to the claim. In such cases, the Commission members will have the option of seeking advance moneys from the trust individually or collectively as a group of Commission members.

In either case, the above process is to be followed with such modifications as may be necessary to maintain the effectiveness and integrity of the process.

### **Efficiency of Process**

The Commission recognizes the need for timelines in responding to potential claims against the Commission or its members.

Where a member makes an application to access funds to respond to a Statement of Claim, the Director will endeavour to bring the process to a conclusion with the greatest efficiency.

To that end, the Chair will consult with the Commission member and the Director as necessary to facilitate the efficient completion of the indemnification process.

## **15.3 Not Limiting Commission Member Right of Indemnification**

Where for any reason a Commission member has not availed himself or herself (or a group of Commission members has not availed themselves) of the provisions allowing them to request moneys from the trust in advance of a determination of a Claim, nothing in this section of the Governance Manual is to be construed as prohibiting that Commission member from seeking reimbursement from the trust in accordance with the terms of *The Trustee Act, 2009* for expenses reasonably incurred in responding to a Claim merely because the Commission member(s) did not avail themselves of the process.

Where a Commission member is (or Commission members are) seeking reimbursement from the trust after the fact, the process described above is to



be followed with such modifications as may be necessary to maintain the effectiveness and integrity of the process.

#### **15.4 The Commission’s Position on Third-Party Liability Insurance**

The Commission can choose whether the risk of having to indemnify a member of the Commission for a liability should be borne by the fund, or shared with other parties through the purchase of third-party insurance. The choice is between risking a potentially substantial payment out of the fund or incurring a cost that is certain.

*The Trustee Act, 2009* provides trustees who act honestly and in good faith with liability protection. This protection is not provided in the event of wilful misconduct or criminal activity. Similarly, liability insurance purchased through a third-party insurer does not provide protection in the event of wilful misconduct or criminal activity.

It is the position of the Commission that it should not purchase third-party liability insurance. The reasons for this include:

- *The Trustee Act, 2009* already provides liability protection for trustees who act honestly and in good faith, therefore there is no advantage to members of the Commission in having insurance coverage for the same risk;
- Willful misconduct and criminal activities are the only activities for which there is a real possibility of liability on the part of individual Commission members. It is a matter of policy that there is an expectation that such activities will not be tolerated, and if they do occur, the member should face the consequences personally.
- The Commission has adopted governance policies and procedures that minimize the risk of there being liabilities for which the fund would be responsible for indemnification; and
- The history of the administration of the Municipal Employees’ Pension Plan does not indicate a risk that justifies the additional cost of third-party insurance.

#### **15.5 History**

Approval date:	September 1, 2006; September 21, 2007; February 26, 2010; and November 15, 2013
Last review:	October 20, 2023
Next scheduled review:	October 2024

### III. General

#### Section 16 – Communications and Stakeholders Relations

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##### 16.1 Purpose

This document contains the policies the Municipal Employees’ Pension Commission (the Commission) adheres to in managing communications and stakeholder relations related to the Municipal Employees’ Pension Plan (MEPP, the Plan).

The policies have been created to support communications and stakeholder relations requirements under *The Pension Benefits Act, 1992*, *The Pension Benefits Regulations*, *The Municipal Employees’ Pension Act* (the Act). These policies are to be followed to ensure communications of MEPP meet the requirements as set out in those documents.

##### 16.2 Rationale

###### Communications Strategy

The Commission is aware of the importance of effective communication for Plan members and employers. The challenges are considerable given both the complexity of the information being communicated and the large number of relatively small organizations participating in the Plan.

The Commission believes that it is important to target communications to members at various stages in their Plan membership. The Commission is also mindful of the need to facilitate two-way communications with stakeholders and to facilitate member feedback.

### **Plan Communication involves:**

- Communicating with the Plan's various membership profiles to deliver information and education through the Plan website, financial statements, newsletters, correspondence, public meetings, and seminars.
- Managing the risks inherent in the communication of Plan information. We work to provide information in a clear and concise manner with sensitivity to members' level of understanding. We are responsive to members' interests and concerns.

The policies set forth here have been developed mindful of those goals and elements.

## **16.3 Policy**

### **Communications Strategy**

All communications with media or stakeholder groups should be planned to ensure a consistent, coordinated and professional approach.

### **Spokespersons**

Senior Planner officials would provide research, advice, information, consultation and support to the Chair of the Commission.

When a Planner employee is contacted for comments on or about the Plan, they are to bring that to the attention of a member of Planner senior executive acting on behalf of MEPP. Following internal consultation with the appropriate Planner officer(s), the appropriate spokespersons would be recommended to the Chair.

### **Annual Reports**

The Act requires the Commission to produce an annual report within 120 days of the end of the calendar year. The report is to be tabled with the Clerk of the Legislative Assembly as stipulated by The Executive Government Administration Act. This report is prepared by Planner officials acting on behalf of MEPP and approved by the Commission prior to being tabled (the Act, section 62)

## Financial Statements

Annual and quarterly financial statements contain the information required under the Act and such other information as management may determine as relevant and the Commission approves.

## Commission Governance Documents

The Commission maintains a number of governance documents related to issues of proper oversight, management, and administration of the Plan. Documents such as the Commission's Strategic Business Plan and its Code of Conduct and Conflict of Interest Procedures provide information that demonstrates the Commission's commitment to effective governance and are relevant to the Commission's stakeholders. As a means of providing accurate and transparent dissemination of its governance policies and practices, the Commission has placed the following documents on the Plan website:

- Annual Report
- CAPSA Pension Plan Governance Self-Assessment Questionnaire
- Statement of Investment Policy and Procedures
- Actuarial Valuation of the Municipal Employees' Pension Plan
- Actuarial Valuation of the Municipal Employees' Pension Plan Annuities
- A summary of the Commission's Strategic Business Plan
- Commission's Governance Manual which includes but is not limited to:
  - Code of Conduct and Conflict of Interest Policy
  - Funding Policy
- Activity Report to Stakeholders

Other Commission governance documents to be made available upon stakeholder/Plan member request include:

- Risk Management Plan (current year)
- Risk Management Plan Review (previous year)
- Mid-Year Risk Management Dashboard
- Periodic Checklist (final for the year)

The decision to release Minutes of Commission meetings or any specific administrative policies is at the discretion of the Commission, and requests will be considered on a case-by-case basis. Minutes that are released will have information identified under *The Freedom of Information and Protection of Privacy Act* or *The Health Information Protection Act* as either personal or proprietary information removed from the minutes, or "blacked out" to ensure that privacy is maintained.

Fees, where applicable, will be assessed to an applicant at the time access is given in accordance with the fees established under section 6 of *The Freedom of Information and Protection of Privacy Regulations*.

### **Release of Other Published Materials and Information**

All published materials and information that do not require prior approval of the Commission (information sheets, newsletters, correspondence) must receive appropriate Planner's Executive approval. News releases are subject to approval by the Chair of the Municipal Employees' Pension Commission as well as the approval processes set out by the Executive Council Communications Unit.

Any materials published by MEPP will be available to members at no charge.

### **Notice and Stakeholder Enquiries**

Enquiries regarding publicly available information will be dealt with promptly by Planner's Assistant Deputy Minister (ADM), or the ADM's designate. Whenever possible, stakeholders will be referred to the MEPP website.

Enquiries from the Minister of Finance or Ministers or Members of the Legislative Assembly will generally be dealt with by the ADM or by the ADM's designate in accordance with their roles as support or alternate spokespersons.

Other enquiries from stakeholders generally will be directed to the Manager, MEPP or Planner's Director, Education and Engagement (Director, E and E) to evaluate the request, respond directly, or respond through a designate when appropriate, or gather the necessary background information and direct the request to a more appropriate individual.

### **Member's Annual Statements**

Members receive an annual statement (or as otherwise required by *The Pension Benefits Act, 1992* and the associated Regulations) that provides pension information and projections. The statements are mailed to the most recent addresses for members MEPP has on file. (*The Pension Benefits Act, 1992* section 13, *The Pension Benefits Regulations, 1993* sections 13 through 21)

## **Media Enquiries**

The Assistant Deputy Minister or the Director, E and E will inform the Chair of the Commission of any media enquiries with respect to the Commission or the Plan. The information provided will include background on the enquiry, the recommended course of action to be taken, and the spokesperson from Plannera who will respond to the enquiry on the Commission's behalf. The Chair will approve or amend Plannera's recommendation.

Background briefings and interviews are subject to prior approval by the Chair of the Commission and will be developed in collaboration with the Assistant Deputy Minister and the Director, E and E. Generally, interviews and background briefings will be on-the-record.

## **Communications During Provincial Election Campaigns**

The Commission recognizes the Government of Saskatchewan's requirement to restrict communications in order to preserve the integrity of provincial elections. There may be instances, however, when the Commission is of the view that it is compelled to communicate with Plan members and participating employers regarding significant Plan events that occur during provincial election campaigns. Significant events would include any occurrence that may give rise to members' concerns regarding their pension entitlements.

When there is a significant event that prompts the need for the Commission to communicate with Plan members and participating employers during the period coinciding with a provincial election campaign, and there is a deadline associated with delivering this communication, the Commission will write to the Minister of Finance to seek an exemption from the communication prohibition under *The Election Act, 1996*.

## **Presentations**

MEPP conducts member presentations about the Plan. Four *Your Path to Retirement Workshops* are available to members. *Learn* is a workshop for members early in their career. The *Build* workshop is targeted to members in the middle of their career. The *Prepare* workshop is for members nearing retirement. And *Enjoy* provides retired member an opportunity to meet one-on-one with a Plannera Retirement Information Consultant.

## **Website**

The MEPP website is a primary means of providing current and accurate member and public communications. Only published material and information previously approved by the Commission or an appropriate Planner or official is posted on the website.

Any possible changes or updates proposed for the website will be brought to the attention of the Planner's Director, E and E.

## **MEPP Member Booklet**

Responsibility for updating the MEPP Member Booklet belongs to the Planner. The MEPP Member Booklet provides an overview of the main provisions of MEPP. The MEPP Member booklet is made available on the website or may be sent to a member on request.

## ***MEPPMatters***

*MEPPMatters*, the Plan newsletter, is published and sent to active and inactive members via mail and electronic notifications. It is produced at least twice per calendar year. The newsletter provides general information about the Plan and its operation along with general human interest articles.

Special editions may be produced to inform Plan members of important Plan developments.

## ***MEPPMessenger***

*MEPPMessenger*, the newsletter for MEPP pensioners, is published and sent to pensioners via mail and electronic notifications. It was introduced in May 2022 and is sent out annually in January. The newsletter provides general information about the Plan and its operation along with general human interest articles. Pensioners do not receive the MEPP Matters (active/inactive member) newsletter.

Special editions may be produced to inform Plan members of important Plan developments.

### **MEPP *In-Depth***

MEPP *In-Depth* publications are specific topic pamphlets used to provide members with details on specific topics about the Plan. These are mentioned in

MEPP*Matters* and MEPP*Messenger*, posted on the website, and are available to be mailed to members upon request. For example, a MEPP *In-Depth* has been created for *Designation of Beneficiary Prior to Retirement, Disability Waiver, Pension Calculations, Pre-retirement Spousal Waiver, Portability Agreements, Retirement Options, and Termination Options*. New MEPP *In-Depth* publications will be created if a need is identified.

### **Review**

The Commission will review communications initiatives periodically.

## **16.4 History**

Approval date:	January 20, 2006; January 21, 2011; February 17, 2012, November 21, 2014 November 20, 2015, and March 16, 2018
Last review:	October 20, 2023
Next scheduled review:	October 2023



## A III. General

### Section 17 – Employer Communication Responsibilities

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#### 17.1 Purpose

This policy defines the governance and execution of the Municipal Employees’ Pension Plan (MEPP, the Plan) communications by employers and the Municipal Employees’ Pension Commission’s (the Commission’s) administrator, the Plannera Pensions & Benefits (Plannera ), to members and beneficiaries. The purpose of the policy is to:

- Clarify the roles and responsibilities of the Commission, Plannera and employers in providing information and communication to MEPP members and beneficiaries; and
- Confirm the types of information, tools, and training that employers and Plannera provide to members and beneficiaries.

#### 17.2 Rationale

The Commission is responsible for overall communication with MEPP members regarding the Plan and related provisions. By confirming communication accountabilities and processes, and by encouraging employers and Plannera to work collaboratively for the benefit of MEPP members and beneficiaries, the Commission:

- Ensures consistency of communication messaging and content;
- Enhances alignment between employers and Plannera ;
- Increases the effectiveness of MEPP communications to members and beneficiaries; and

- Increases awareness of the attributes of the MEPP plan among members and beneficiaries.

To guarantee consistency and accuracy, the Commission endorses a communication approach that requires centralized authority and control under Planera in areas where potential risk is high, and a more collaborative approach between Planera and employers where the potential risks are less significant.

The provision of information can create serious liability or risks to the person or group delivering the message, if the information provided is interpreted as advice or recommendations. To minimize these potential risks, the Commission must ensure only valid and appropriate information is communicated to employers and members.

### **17.3 Policy**

#### General

The communication goal of the Commission is to be responsive to the needs of MEPP members and to inform MEPP members, beneficiaries, employers, and the Plan sponsor of their benefits, duties, and obligations under the Plan, through clear, timely, and relevant communication.

To achieve these key goals, the Commission maintains oversight for the quality and effectiveness of member communications. In addition, the Commission endorses the collaborative sharing of communication responsibilities between employers and Planera as specifically outlined in the next section.

#### Roles and Responsibilities

This section outlines the roles and responsibilities of the Commission, Planera, and employers with respect to MEPP communications.

##### *Commission Responsibilities*

Communication responsibilities of the Commission as set out in section 56 of *The Municipal Employees' Pension Act* (the Act) includes the provision of written explanations for each plan member of the following:

- The terms and conditions of the Plan;
- Members' rights under the Plan;
- Benefits available to members;
- Information required by *The Pensions Benefits Act, 1992* (the PBA); and

- Any other information the Commission feels is desirable or may be required by the Regulations to the PBA.

In terms of communication with members and employers, the Commission is responsible for establishing and reviewing the MEPP communication policy including oversight to ensure employers and Plannera adhere to the policy and related procedures. The Commission also promotes and endorses collaborative sharing of communication responsibilities between employers and Plannera .

### *Employer Responsibilities*

Employer responsibilities are found in Sections 3, 17, and 18 of the Act. Section 3 gives employers the responsibility for designating employees as permanent or non-permanent; sections 17 and 18 apply to the responsibilities of the employer to remit contributions on behalf of employees, and the time and manner in which contributions are to be remitted to the Plan.

Employers have the authority to disseminate MEPP information provided by Plannera to their employees. Employers without dedicated communication resources can fully rely on Plannera to assist with their communication requirements.

### *Administrator Responsibilities*

To ensure the highest standards of quality and accuracy, Plannera develops communication plans including themes, strategies, and tactics in consultation with employers.

However, Plannera is responsible for the development of MEPP-related communication information and/or materials for employers to forward to members and beneficiaries. Plannera and employers share responsibility for the timely dissemination or roll-out of these materials to members and beneficiaries.

Plannera is encouraged to work in close association with employers to ensure consistent, targeted and effective themes, messaging, and content is disseminated to members and beneficiaries. Where appropriate, Plannera provides employers with tools and training to support communication initiatives. Plannera also develops and implements appropriate measures to monitor the effectiveness of member communications, through surveys, focus groups, and/or communication audits to support the Commission with policy oversight.

## Types of Information, Tools, and Training

General communication information is included in published materials (information sheets, newsletters, correspondence); through verbal communication (presentations, discussions, responses to inquiries); and via electronic communication (web, email).

It is not the intent of the Commission members, employers, or Plannera to provide advice or recommendations. The provision of information is not to be construed as advice or recommendations. The message must be made clear to the members of the Plan through adequate disclaimers and notices.

### **17.4 History**

Approval date: January 18, 2007; and April 17, 2009  
Last review: October 20, 2023  
Next scheduled review: October 2024

**III. General**

**Section 18 – Risk Management**

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**18.1 Purpose**

The Municipal Employees’ Pension Commission (the Commission) is responsible for managing the risks of the Municipal Employees’ Pension Plan (the Plan). The purpose of this policy is to identify the Commission’s risk management philosophy, principles, roles and responsibilities, review process, and communication expectations.

**18.2 Rationale**

A focused, systematic, and integrated approach recognizes that all decisions involve the management of risks. Whether in routine operations or for major initiatives involving significant resources, it is important that the risk management process be applied at all levels of operation.

The Risk Management Policy ensures that a regular documented process is in place for the management of the Plan’s foreseeable risks. Documenting the rationale for arriving at decisions strengthens accountability and demonstrates due diligence.

**18.3 Policy**

Risk Management Philosophy

The Commission is committed to creating and maintaining value for the stakeholders of the Plan. The Plan faces risks as the Commission fulfills this commitment. Therefore, the Commission is responsible for managing all foreseeable risks that could affect the

operation of the Plan and the Plan's stakeholders. Through the risk management process, the Commission identifies, measures, monitors, and manages these risks in a manner that is consistent with the Commission's governance model. The Commission's risk management process is to be guided by the following key values.

***Accountability***

We are accountable to the members and the stakeholders of the Plan for our administration of the Plan. We operate in a transparent manner.

***Professionalism***

We strive for excellence in our administration of the Plan by being diligent and making informed decisions.

***Integrity***

As trustees of the Municipal Employees' Pension Fund we hold ourselves to the highest standards of integrity. We strive to act always with honesty and in a manner worthy of the trust our members have placed in us.

***Fairness***

We administer the Plan in the best interests of all members of the Plan. We strive to ensure that our decisions are equitable for all plan members by adhering to decision-making that is fair and open-minded. Our actions are courteous, considerate, and responsive.

**Risk Management Principles**

The Canadian Standards Association has adopted the risk management principles and guidelines of the International Organization of Standardization in a National Standard of Canada. The Commission recognizes the principles, recorded below, as documented in the CAN/CSA-ISO 31000-10 as those of industry best practices.

- Risk management creates value.

Risk management contributes to the demonstrable achievement of objectives and improvement of, for example, human health and safety, legal and regulatory compliance, public acceptance, environmental protection, financial performance, product quality, efficiency in operations, corporate governance, and reputation.

- Risk management is an integral part of organizational processes.

Risk management is part of the responsibilities of management and an integral part of the normal organizational processes as well as of all project and change management

processes. Risk management is not a stand-alone activity which is separate from the main activities and processes of the organization.

- Risk management is part of decision-making.

Risk management helps decision-makers make informed choices. Risk management can help prioritize actions and distinguish among alternative courses of action. Ultimately, risk management can help with decisions on whether a risk is unacceptable and whether risk treatment will be adequate and effective.

- Risk management explicitly addresses uncertainty.

Risk management deals with those aspects of decision-making that are uncertain, the nature of that uncertainty, and how it can be addressed.

- Risk management is systematic, structured, and timely.

A systematic, timely, and structured approach to risk management contributes to efficiency and consistent, comparable, and reliable results.

- Risk management is based on the best available information.

The inputs to the process of managing risk are based on information sources such as experience, feedback, observation, forecasts, and expert judgment. However, decision-makers should be informed of and should take into account any limitations of the data or modeling used or the possibility of divergence among experts.

- Risk management is tailored.

Risk management is aligned with the organization's external and internal context, and risk profile.

- Risk management takes human and cultural factors into account.

The organization's risk management recognizes the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organization's objectives.

- Risk management is transparent and inclusive.

Appropriate and timely involvement of stakeholders and, in particular, decision-makers at all levels of the organization, ensures that risk management remains relevant and up-to-date. This involvement also allows stakeholders to be properly represented and to have their views taken into account in determining risk criteria.

- Risk management is dynamic, iterative, and responsive to change.

As internal and external events occur, context and knowledge change, monitoring and review take place, new risks emerge, some change, and others disappear. Therefore, an organization should ensure that risk management continually senses and responds to change.

- Risk management facilitates continual improvement and enhancement of the organization.

Organizations should develop and implement strategies to improve their risk management maturity alongside all other aspects of their organization.

### Risk Management Process, Terms, and Definitions

The Commission has adopted the risk management process, terms, and definitions set out in CAN/CSA-ISO 31000-10. The Commission has made slight modifications to the risk management process to highlight the attention given to Risk Assessment, Risk Management, and Risk Communications within the process. A model of the Commission's risk management process is attached as Appendix A. A list of relevant terms and definitions is attached as Appendix B.

### Roles and Responsibilities

The Commission's role in the risk management process is to set and approve the Commission's Risk Management Policy, monitor compliance with the approved policy, review and approve the annual Risk Management Plan, delegate the tasks of risk management to the Administrator, and oversee the risk management process.

As the Commission's Administrator, The Planner Pensions & Benefits's (Planner) role in the risk management process, is to establish operating strategies, implement policies, provide resources to support the Commission, report on compliance, report on performance, and conduct the day-to-day administration of the risk management process.

Ensuring the significant components of the Risk Management Plan are documented is a primary responsibility of Planner. The extent of documentation will depend on the magnitude and complexity of the risk issues involved, stakeholder expectations, and anticipated need to explain and reference the Risk Management Plan and demonstrate due diligence in the future.



Specific responsibilities of the Commission and Planner are set out below.

**The Commission** is responsible for:

- Approving a risk management process;
- Approving and monitoring compliance with the Commission's Risk Management Policy;
- Ensuring that significant risks are identified, assessed, and managed;
- Reviewing and approving the annual Risk Management Plan;
- Reviewing the Mid-Year Risk Management Dashboard
- Approving the Commission's risk tolerance levels;
- Providing leadership on risk management and assigning roles and responsibilities within the context of the Commission's governance processes;
- Abiding by its Code of Conduct and Conflict of Interest procedures;
- Ensuring that plan stakeholders have adequate access to appropriate risk management communications;
- Voting on risks; and
- Approving a risk register.

**Planner's Senior Management** is responsible for:

- Providing and articulating the tools and procedures needed to support the risk management process set out in Appendix A;
- Assigning management accountabilities and responsibilities at appropriate levels within the organization;
- Incorporating the Commission's Risk Management Policy into the operational framework;
- Determining the risk management performance indicators that align with the Plan's performance indicators;
- Ensuring alignment of the risk management objectives with the objectives and strategies of the Plan and organization;
- Ensuring legal and regulatory compliance;
- Identifying, assessing, and communicating the Plan's significant risks and risk management strategies;
- Providing a supportive environment that encourages effective risk management, sensible risk-taking, and learning opportunities;
- Ensuring that the necessary resources are allocated to risk management;
- Providing clear direction on risk tolerance levels;
- Explicitly understanding and managing the level of risk associated with operational policies, plans, and programs;
- Ensuring risk management is communicated to both internal and external stakeholders in such a manner that the risk information is consolidated where appropriate from a variety of sources within the organization taking into account its sensitivity;
- Abiding by its Conflict of Interest policy; and

- Ensuring that the framework for managing risk continues to remain appropriate.

### Risk Management Commission Reporting

The Commission has in place three documents that apply to the risk management process. These are a Risk Management Review (RMR), a Risk Management Plan (RMP), and a Mid-Year Risk Management Dashboard.

Annually, the Commission will receive and approve a RMR. The RMR is developed and presented by Plannera and reports on the status of risk management strategies undertaken for each of the identified risks for the previous year.

Annually, the Commission will receive and approve a RMP. The RMP is developed and presented by Plannera and provides the Commission with a listing of identified risks and their risk management strategies for the Plan for the upcoming years.

Annually, the Commission will receive a Mid-Year Risk Management Dashboard that reports on the risks and risk management strategies identified in the Risk Management Plan.

All three of these documents are developed by Plannera within the context of the Plan.

### Communication

Risk management is communicated to both internal and external stakeholders. Communication should include processes to consolidate risk information where appropriate from a variety of sources within the organization taking into account its sensitivity.

Internal risk management communication and reporting ensure that:

- Key components of the risk management framework, and any subsequent modifications, are communicated appropriately;
- There is adequate internal reporting on the framework, its effectiveness, and the outcomes;
- Relevant information derived from the application of risk management is available at appropriate levels and times; and
- There are processes for consultation with internal stakeholders.

External risk management communication and reporting involve:

- Engaging appropriate external stakeholders and ensuring an effective exchange of information;

- External reporting to comply with legal, regulatory, and corporate governance requirements;
- Making legally required disclosures;
- Providing feedback and reporting on communication and consultations;
- Using communication to build confidence in the organization; and
- Communicating with stakeholders in the event of a crisis or contingency.

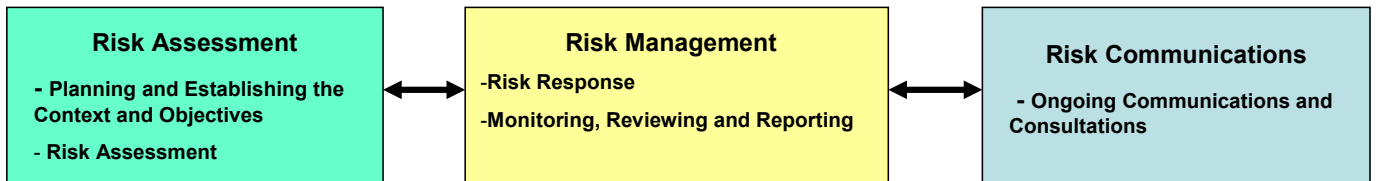
#### **18.4 History**

Approval date: May 17, 2013, January 15, 2010,  
and November 17, 2017  
Last review: October 20, 2023  
Next scheduled review: October 2024

APPENDIX A – Risk Management Process



3 Key Components of the 5-Step Process



## APPENDIX B – Terms and Definitions

For the purposes of the Commission’s risk management program, the following terms and definitions apply (from the CAN/CSA-ISO 31000-10 standard):

**Consequence (Impact)** - outcome of an event affecting objectives

**Control** – measure (process or activity) that is modifying risk

**Event** - occurrence or change of a particular set of circumstances

**Inherent Risk** - risk prior to considering any risk treatment in place

**Likelihood** - chance of an event happening

**Monitoring** - continual checking, supervising, critically observing, or determining the status in order to identify change from the performance level required or expected

**Residual Risk** - risk remaining after risk treatment

**Risk** - effect of uncertainty on objectives

**Risk Assessment** - overall process of risk identification, risk analysis, and risk evaluation

**Risk Attitude** – organization’s approach to assess and eventually pursue, retain, take, or turn away from risk

**Risk Criteria** - terms of reference against which the significance of a risk is evaluated

**Risk Identification** - process of finding, recognizing, and describing risks

**Risk Management** - coordinated activities to direct and control an organization with regard to risk

**Risk Management Framework** - set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing, and continually improving risk management throughout the organization

**Risk Management Plan** - scheme within the risk management framework specifying the approach, the management components, and resources to be applied to the management of risk

**Risk Owner** - person or entity with the accountability and authority to manage a risk

**Risk Profile** - description of any set of risks

**Risk Source** - element which alone or in combination has the intrinsic potential to give rise to risk

**I. Governance**

**Section 19 – Funding Policy**

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**19.1 Purpose**

The purpose of this funding policy is to provide a framework for the sound financial management of the Municipal Employees’ Pension Plan (MEPP, or the Plan) by setting out recommended actions to be taken from time to time based on the circumstances of the Plan.

This policy is intended to assist the Municipal Employees’ Pension Commission (the Commission) in its decision-making process, its development of recommendations to the Minister of Finance, and its communication with stakeholders by setting out a clear policy framework.

Nothing in this policy should be construed as prohibiting any decision or recommendation that may be made by the Commission in accordance with *The Municipal Employees' Pension Act* (the Act). The Commission will be solely responsible for deciding on the actions to take, if any, upon receiving the results of an annual actuarial valuation.

## **19.2 Plan Design**

MEPP is a defined benefit (DB) pension plan established and governed by the Act, and *The Municipal Employees' Pension Regulations* (the Regulations). The Plan is registered under the *Income Tax Act (Canada)* (the ITA) and is subject to *The Pension Benefits Act, 1992* (the PBA) and *The Pension Benefits Regulations, 1993* (the PBR).

A DB pension plan specifies the amount of benefit that a member will receive at retirement based on a calculation that considers length of service and salary. Benefit levels for MEPP are set in statute. Contribution rates are specified in the Regulations on the recommendation of the Commission based on the advice of an actuary. The Act requires employers to contribute an amount, that in conjunction with employee contributions, would be sufficient to fund the promised benefits. To the extent possible, the employer contribution rate will be set to match the employee contribution rate to meet the shared cost objective articulated in Section 19.4. To date, employer contributions to the Plan have been equal to employee contributions.

## **19.3 Governance**

The Commission administers the Plan and is the trustee of the Municipal Employees' Pension Fund (the Fund). The Commission has in place a Code of Conduct and Conflict of Interest Procedures. The procedures list the fiduciary duties that apply to the members of the Commission in their capacity as trustees of the Plan. A copy of the Code of Conduct and Conflict of Interest Procedures is signed annually by each member of the Commission.

The Commission has a fiduciary responsibility to Plan members to recommend that contribution rates be set at sufficient levels, as calculated by an actuary, to ensure that sufficient assets will be accumulated to deliver the promised benefits on an ongoing basis. The Commission also has a fiduciary duty to manage the investment activities of the Fund in the best interests of all Plan members. To achieve these, the Commission's responsibilities include developing and maintaining a funding policy in conjunction with the investment policy.

## 19.4 Funding Objectives

The funding policy has been developed based on the following principles:

- **Stable funding requirements** – Given the Plan’s employer and member profile, there is low tolerance for volatility in contribution requirements. Most of the Plan’s more than 700 participating employers employ 10 or fewer employees. A majority of the Plan’s membership earns less than the Canada Pension Plan’s Yearly Maximum Pensionable Earnings (YMPE) and about twenty percent of the membership earns less than half of the YMPE. The YMPE is a widely accepted proxy for the average industrial wage in Canada.
- **Benefit security** – The Plan should be managed to maintain appropriate margins and contribution levels to prioritize preserving accrued benefits for active and retired members.
- **Benefit improvements** – The Commission intends to use funding excesses to provide additional allowances to retired members when providing such benefits is appropriate.
- **Shared costs** – The cost of the Plan, including benefits, administrative and investment expenses will be shared equally by the active members and the participating employers, unless otherwise required by applicable law. The Plan has been funded equally by employees and employers since its inception in 1973.
- **Balanced approach** - The long-term financial management of the Plan should reflect a balanced approach, and be neither too conservative, thus unduly increasing current contributions or restricting current benefits, nor too optimistic, thus unduly reducing current contributions or increasing current benefits and raising the risk of future plan deficits or contribution increases.
- **Contributions must support benefits** – Contributions should normally be equal to or greater than the normal cost of benefits as determined by the management valuation report in addition to any deficit funding required.
- **Inter-member equity** – Inequity can arise when the contributions of one group of members in the Plan fund benefits for other groups. This can occur as an intergenerational inequity, between different classes of members such as general and designated members, or by provisions that unfairly enrich one member at the expense of the Plan and ultimately, other members. The funding requirements of a group or class of members should bear a consistent and proportional relationship to the benefits being provided to that group or class of members.



- Asset reserves – Holding a margin of assets greater than current liabilities is a standard approach to funding a pension plan and is required by the provincial pension regulator, the Financial and Consumer Affairs Authority (FCAA). This margin provides a cushion against adverse experience that might otherwise require a sudden increase in contribution rates, e.g.
- Integration of funding and investment policies – The funding and investment policies are the key tools available to the Commission for the management of risk and the achievement of the Plan’s objectives. The two policies should be managed together through an integrated process to ensure that, in combination, they increase the likelihood that the Plan’s objectives will be achieved and that risk is appropriately managed. The funding policy is the primary policy. The investment policy should support the objectives and principles underlying the funding policy, within the Commission’s risk tolerances.

## 19.5 Key Risks and Implications

The Plan faces a number of risks to meeting the purpose and objectives of the funding policy. The following are the most significant of these risks:

- Investment risk – The cost of the Plan (benefits and expenses) are funded by contributions and investment returns from the Fund. In order to earn a reasonable return in the long run and to keep Plan contributions at a reasonable level, the Plan invests in certain asset classes that have uncertain and sometimes volatile returns. Investment risk is the risk that the Plan Fund does not consistently generate investment returns at the expected levels, as reflected in the discount rate used in the actuarial valuation.
- Assumption risk – To determine the contribution requirements under the Plan, the actuary uses long term assumptions in the actuarial valuation. Assumption risk is the risk that actual experience turns out to be worse than assumed, resulting in a shortfall in the funding of the Plan.
- Demographic risk – Demographic risk covers the risk that active and/or inactive membership characteristics (such as average age) change over time, or that there is an unexpected large shift in the demographic characteristics of the Plan as a whole (e.g., high ratio of retired to active member liabilities), affecting the funding requirements of the Plan.

The primary implications of these risks are summarized below:

- Contribution rate volatility: Fluctuating Plan experience, such as poor investment returns, may translate to volatile contribution requirements, resulting in unstable contribution rates for both employers and members.

- Contribution rate increases: Contribution rate increases may be necessary to fund higher normal actuarial cost due to changes in economic conditions or in the active membership profile, or to fund Plan deficits due to poor Plan experience. This may result in increases to contribution rates for the current generation of active members in order to fund deficits generated from liabilities of a previous generation of members.
- Contribution rates becoming unaffordable: If the contribution rates increase due to negative Plan experience, it may become difficult for members and employers to make the required contributions to the Plan.
- Benefit security: To the extent that negative Plan experience cannot be addressed by increased contribution rates, benefits for members may need to be reduced.

These risks are monitored and addressed by the Commission through various activities and tools.

- Annual review of the Statement of Investment Policies and Procedures (SIP&P);
- Periodic assessment of plan design;
- Periodic asset-liability studies;
- Actuarial valuations, using asset smoothing, to determine the financial position of the Plan, plan liabilities and the contribution rates needed to ensure funding stability and adequacy; and
- Annual review of a risk monitoring dashboard that looks at the level and trend of the risks.

## **19.6 Investment Policy linked to Funding Policy**

Investment policy, directed by the SIP&P, is a separate policy addressing the appropriate investment of the Fund.

There is significant linkage between the Plan's funding policy and the investment policy. In particular:

- The going-concern discount rate used in the management valuation report is based on the expected long-term return of the asset mix outlined in the investment policy;
- The expected asset returns in the investment policy should be consistent with the going-concern discount rate used in the management valuation report;
- The investment policy should support the objectives and principles underlying the funding policy, including the funding target and thresholds outlined in Sections 19.8 and 19.9, within the Commission's risk tolerances;
- Asset-liability studies take into account the funding policy when the asset mix is reviewed; and

- The Commission uses a liability benchmark based on the current actuarial discount rate of the Plan as a proxy for the movement of the Plan's liabilities. This should see the liability benchmark grow in similar fashion to the actual liabilities of the Plan.

As a result of linking the policies together, the asset mix in the investment policy is to be reviewed every four to six years as part of the asset-liability modeling and risk tolerance study.

## **19.7 Actuarial Methods and Assumptions**

The projected unit credit method is used to determine the Plan's going-concern financial position. Under this method, the actuarial value of the Plan assets is compared with the actuarial present value of pensions accrued in respect of service at the valuation date. Under this method, the normal actuarial cost is the value of benefits which will be earned in respect of the year following the valuation date. Further, additional amounts due to the "50 per cent cost sharing rule" are included in the actuarial liabilities and the normal actuarial cost.

There are two actuarial valuation reports prepared for the Plan:

- Management valuation report: A management valuation report includes a best-estimate going-concern valuation of the Plan which is used by the Commission for decision-making purposes. The management valuation report may also include a solvency valuation when requested by the Commission.
- Filing valuation report: A filing valuation report is prepared for filing with FCAA and the CRA. It includes a going-concern valuation which includes a margin for adverse deviations at a level agreed upon by the Commission. A solvency valuation of the Plan is also included per regulatory requirements.

### Management Valuation Report

The management valuation report will be the primary source of information upon which the Commission will base its decisions or recommendations regarding contribution rates and additional benefits.

The going-concern valuation in the management valuation report shall be prepared using best estimate economic and demographic assumptions and in accordance with accepted actuarial practice, as established by the Canadian Institute of Actuaries. "Best estimate assumptions" are assumptions that, in the opinion of the actuary, are without bias, neither conservative nor non-conservative. Using best estimate assumptions, actual experience should be expected to generate neither positive nor negative impact to the Plan's financial position over the long run. In the short term, deviations of experience versus the best estimate assumptions are expected.

The going-concern valuation in the management valuation report shall include reserves for accruals for disabled members in the liabilities equal to the present value of all future accruals of presently disabled members.

For the going-concern valuation in management valuation reports on or after December 31, 2012, the actuarial value of assets will be determined using a smoothing method over not more than five years. For decision making and risk monitoring purposes, the funding position using the market value of assets will also be considered. The resulting actuarial value of assets will be limited to not more than 110 per cent, nor less than 90 per cent, of the corresponding market value of assets.

The going-concern discount rate in the management valuation report should be set at a level that reflects the expected long-term return of the total asset portfolio on a market basis. In selecting the discount rate, the following factors will be taken into consideration:

- The Plan's Funding Policy;
- The Plan's SIP&P including:
  - Any hedging or overlay strategies that the Plan may employ, and
  - Any planned changes in the SIP&P;
- Long-term expectations on asset returns of various asset classes and investment strategies included in the Plan's SIP&P; and
- The investment horizon.

The going-concern discount rate in the management valuation report will also include a provision for future investment management expenses and administration expenses of the Plan.

It is recognized that a change to the investment policy may require a change to the going-concern discount rate in the management valuation report.

#### Filing Valuation Report

The filing valuation report shall be prepared in accordance with the requirements of the PBA, the ITA, and accepted actuarial practice as established by the Canadian Institute of Actuaries. It is filed with FCAA and the CRA to ensure that the calculated contribution rates are permissible under the ITA and satisfy the minimum funding requirements of the PBA.

The filing valuation report includes a going-concern valuation that is based on the going-concern valuation in the management valuation report and incorporates a margin for adverse deviations at a level agreed upon by the Commission.

For the going-concern valuation in filing valuation reports on or after December 31, 2021, the following explicit margins should be included:

- An explicit margin reserve in the going-concern liabilities equal to the minimum of 20% of the best estimate going-concern liabilities and the going-concern surplus; and
- An explicit margin in the going-concern normal cost equal to the minimum of 20% of the best estimate going-concern normal cost and the contribution excess.

These explicit margins are consistent with the funding situation threshold levels as outlined in sub-section 19.9 before benefit improvements or contribution reductions may be considered.

The filing valuation report may also, when necessary, include an additional going concern valuation to support the eligibility of contributions under the ITA. Such valuation may include adjustments for anticipated future cost of living increases and/or additional margins and will be used to determine the maximum eligible contributions under the ITA.

A solvency valuation represents a hypothetical wind-up of the Plan and is also included in the filing valuation report as required by the PBA. The solvency value of assets shall be the market value of assets, including accrued income and contributions and net of accrued payments and expenses.

The PBR no longer requires most public sector pension plans to fund a solvency deficiency as these plans are not likely to experience a material risk of under-funded plan wind-up. However, a solvency valuation is still completed as a measure of the financial position of a plan and is included as a component of the filing valuation report.

#### Timing of Valuations

The Commission will ask the actuary to prepare a management valuation report each year to be presented as soon as practicable after the end of the year. While it is not mandatory, the Commission may also request a solvency valuation to be incorporated into the management valuation report.

The filing valuation report shall be prepared by the actuary at least triennially, as required by the PBA

The Commission may strategically request the preparation and filing of a valuation to manage volatility in funding requirements or if filing the valuation is otherwise beneficial in the judgement of the Commission.

## Experience Studies

The Plan's actuarial model relies on best estimates of long-term future experience (assumptions) to inform the Plan's financial measurements and required contributions. Monitoring changes in demographic trends is important to ensure the Plan's demographic assumptions are consistent with the trends.

While year-to-year experience gains and losses are an indication of real-time or short-term trends, an experience study analyzes ongoing experience shifts, longer-term demographic trends, and can highlight how significant plan or economic events affect the Plan within the longer trends and can provide a data driven basis for adjusting best estimate assumptions.

The Commission will budget for and consider the possibility of experience studies every four to five years to ensure systematic, periodic review of trends affecting the Plan. The Commission may consider experience studies sooner if gain-loss analysis reveals significant or persistent variance between the Plan's experience and the best estimate that may indicate a shift in trends.

### **19.8 Funding Target**

The management (best-estimate, going-concern) funded ratio is defined as:

- a) The actuarial value of assets, divided by
- b) The going-concern liabilities in the management valuation report.

To provide a margin for adverse deviations, the funding target for the Plan shall be a management funded ratio equal to 110 per cent.

When the management funded ratio exceeds the funding target, benefit improvements and/or contribution reductions may be considered, depending on the funding situation of the Plan, as described below. When the management funded ratio is less than the funding target, contribution increases and/or benefit reductions may be considered, depending on the funding situation of the Plan, as described below.

As per the PBA, benefit improvements can only be contemplated if the solvency ratio would exceed 90 per cent after implementation of the improvement.

The target funding contributions to the Plan are equal to the sum of:

- a) 100 per cent to 115 per cent of the normal actuarial cost as determined by the management valuation report; plus
- b) Special payments sufficient to amortize any shortfall of the actuarial value of assets relative to the funding target over an appropriate period.

Generally, any shortfall of the actuarial value of assets relative to the funding target should be amortized over a period not exceeding 10 years. However, the Commission will determine the appropriate amortization period for each deficit revealed, with each period not exceeding 10 years.

## 19.9 Funding Situations: Assessment and Considerations

### Summary of Funding Situation Threshold Levels

<u>Management Funded Ratio</u>	<u>Actions to Consider</u>
< 110%	Increasing contributions or reducing benefits
110% - 120%	No changes to contributions or benefits
120% - 140%	Increasing benefits or reducing contributions (lower priority)
> 140%	Larger increases to benefits or reducing contributions

Additional details of the assessment of the funding situation and considerations within each threshold level are outlined below.

#### Management Funded Ratio Below 110 Per Cent

If the management funded ratio of the Plan is below 110 per cent, the Commission should not recommend a reduction in contribution rates from previously established levels and should consider whether an increase in contribution rates is required to reduce the risk of the Plan's management funded ratio falling further and/or the risk of even larger contributions being required in subsequent years. Alternatively, or in combination with increasing contributions to the fund, the Commission may make recommendations regarding benefit reductions appropriate to the financial circumstances of the Plan, as outlined in sub-section 19.11.

Contributions in this funding situation should normally be in the range of 100 per cent to 115 per cent of the management valuation report normal actuarial cost, and may be higher than 115 per cent if deemed appropriate by the Commission, but should at least equal the sum of:

- a) 100 per cent of the normal actuarial cost as determined by the management valuation report; plus
- b) Special payments sufficient to amortize any shortfall of the actuarial value of assets relative to the funding target over an appropriate period.

Notwithstanding the above, the total contribution rates shall not exceed the maximums specified in sub-section 19.10.

### Management Funded Ratio Equal to or Above 110 Per Cent and Below 120 Per Cent

If the management funded ratio of the Plan is equal to or above 110 per cent and below 120 per cent, the Commission should not consider granting any benefit improvements. The Commission should not recommend a reduction in contribution rates from previously established levels. Contributions in this funding situation should normally be in the range of 100 per cent to 115 per cent of the management valuation report normal actuarial cost, and may be higher than 115 per cent if deemed appropriate by the Commission.

### Management Funded Ratio Equal to or Above 120 Per Cent and Below 140 Per Cent

If the management funded ratio of the Plan is equal to or above 120 per cent and below 140 per cent, the Commission may consider the restoration of previous benefit reductions or granting an additional allowance to retired members based on increases in the Consumer Price Index in respect of the current year and in respect of past years for which no additional allowance was granted. Depending on the situation, the Commission may also consider recommending a reduction in contribution rates for active members and employers, however, priority would normally be given to restoring previous benefit reductions or granting additional allowances to retired members before reducing contribution rates. Contributions in this funding situation should normally be in the range of 100 per cent to 115 per cent of the management valuation report normal actuarial cost, and may be higher than 115 per cent if deemed appropriate by the Commission.

### Management Funded Ratio 140 Per Cent and Above

If the management funded ratio of the Plan is equal to or above 140 per cent, the Commission may consider recommending the restoration of previous benefit reductions, temporary benefit improvements to any class of members, and granting additional allowances for retired members. In addition, the Commission may consider recommending a reduction in contribution rates for active members and employers, including consideration of a full contribution holiday until the next annual review. Contributions in this funding situation should normally be in the range of 90 per cent to 110 per cent of the management valuation report normal actuarial cost, and may be higher than 110 per cent if deemed appropriate by the Commission.

### Other Factors

When considering actions as described above, the Commission should take into account factors other than the management and solvency funded ratios, including the ratio of the actuarial value of assets to the market value of assets and changes in economic conditions since the valuation date.



If the management funded ratio is at the lower end of a range of the ratios described above, the Commission may choose to be more conservative in its actions that are normally permitted within the range. Similarly, if economic conditions have deteriorated since the valuation date, the Commission should consider the likely impact of such events on the management and solvency funded ratios which may lead to more conservative decisions than might otherwise occur.

#### **19.10 Maximum Contributions**

The respective employee and employer contributions will fund both normal actuarial cost and, where applicable, special payments sufficient to amortize any shortfall of the actuarial value of assets relative to the funding target over an appropriate period.

The Commission has established that employee and matching employer contributions may not exceed 18 per cent of covered payroll for general members and 25 per cent of covered payroll for designated members. Factors in specifying maximum contribution levels include:

- The average salary for plan members is significantly less than the YMPE. Contribution levels above nine per cent could unduly burden lower wage earners.
- Contribution rates above nine per cent require approval from the Canada Revenue Agency. These are only approved for a specified time frame in relation to a particular actuarial valuation.
- Contributions above the identified maximums could unduly burden employers.

In keeping with the shared cost nature of MEPP, the employee and employer contributions will be managed to be equal, unless otherwise required by applicable law.

#### **19.11 Benefit Reductions**

Should contribution increases not be sufficient to restore the Plan to the target funded ratio and prior to the consideration of benefit reductions; the Commission will review a framework with the Plan's actuary to assess the short and long term financial and contribution outlook of the Plan with and without implementation of benefit reductions. Based on this review, the Commission may consider the following actions:

- Continue to monitor the Plan, with no immediate benefit reduction recommendations.
- Review and/or amend the Plan's guiding principles, targets and policy boundaries prior to recommending benefit reductions.
- Conduct further actuarial analysis, costing and consultations prior to recommending benefit reductions.
- Determine a course of action to restore the sustainability of the Plan. The Commission is committed that any actions taken with respect to benefit reductions shall be enacted with consultation and communication with the Plan's stakeholders.

## Benefit Reduction Guiding Principles

If benefit reductions are contemplated, the Commission's decisions may be guided by the following principles (in order of importance):

- Preserving accrued benefits for active and retired members;
- Ensuring the Plan design is sustainable within a probability acceptable to the Commission;
- Maintaining equity between categories of plan members;
- Avoiding abrupt changes in benefit levels;
- Maintaining investment risk at reasonable level;
- Providing a competitive level of benefits;
- Maintaining an affordable level of contributions;
- Avoiding abrupt changes in the contribution rates;
- Managing intergenerational equity;
- Providing minimum target benefits of the Plan; and
- Ensuring actual funding contributions are within acceptable ranges above the minimum funding requirements.

If it is determined that benefit reductions are required in order to restore the sustainability of the Plan, these reductions, as permitted by law, may include any or all of the following, in no specific order:

- Change to five-year final average salary in benefit calculation; and/or
- Change to the early retirement reduction, or delaying unreduced pension commencement age; and/or
- Removal or reduction of bridge benefit; and/or
- Any additional benefit reduction deemed necessary by the Commission.

This does not limit the Commission from considering other changes to the Plan as may be necessary.

### **19.12 Utilization of Assets Exceeding Liabilities**

Reserve assets that exceed a reasonable margin should be shared among different classes of members and employers; recognizing past contributions towards the development of this margin, the sharing of future financial risks of the Plan, and as permitted by law. Assessing the level of a reasonable margin requires consideration of several factors including, projections of the funded status of the plan and contribution levels, economic trends, and demographic trends. The funding situation threshold levels outlined in sub-section 19.9 have taken these into consideration, however, these factors need to be regularly re-assessed to determine appropriate margin levels and appropriate actions for the Commission.

When the Plan is at or above the funding situation thresholds outlined in sub-section 19.9 that allow the Commission to consider providing increases to benefits or reductions to contribution rates, the Commission will review a framework with the Plan’s actuary to assist with determining appropriate utilization of assets exceeding liabilities. This framework should include a review of the following:

- Qualitative considerations;
- Funding policy considerations and thresholds;
- Assessment of the current financial position of the Plan and the estimated impact of providing an increase;
- Assessment of the estimated impact on the long-term projected financial position of the Plan; and
- Implementation considerations.

### **19.13 Monitoring**

The environment within which the Plan operates is not static. The legal, regulatory, and economic environments that affect the management of the Plan are all subject to change. In addition, the Plan is continuing to mature and active members are expected to comprise a declining proportion of the liabilities in the future.

Periodic reviews of the funding policy are essential to ensure that the policy remains relevant and appropriate. At a minimum, this funding policy should be formally reviewed every three years. An asset/liability study may also be conducted in conjunction with the formal funding policy review. An earlier review may be required if, in the opinion of the Commission, significant changes to the environment or the Act have occurred since the most recent review.

### **19.14 Communication Policy**

This funding policy and the filing valuation reports are made available on the Plan website and therefore accessible by the general public. Any specific inquiries concerning this policy should be directed to the Director, Policy and Governance, Plannera Pensions & Benefits .

### **19.15 History**

Approval date:	January 18, 2008, October 17, 2008; March 19, 2010; November 25, 2011, April 19, 2013, November 15, 2013, November 21, 2014, November 20, 2015, March 16, 2018 November 20, 2020, November 19 2021.
Last review:	November 17, 2023
Next scheduled review:	November 2024

**III. General**

**Section 20 – Privacy**

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**20.1 Purpose**

The purpose of this policy is to provide the Administrator, the Municipal Employees’ Pension Commission (the Commission), and Stakeholders with a framework that fosters a culture of privacy protection by ensuring that the collection, use, disclosure, and retention of personal information is consistent with the Municipal Employees’ Pension Plan (the Plan)’s legitimate business and mandate, and that the information is properly secured.

**20.2 Rationale**

This policy follows the principles outlined in the Canadian Standards Association (CSA) Privacy Standards and provincial legislation concerning protection of personal information and personal health information which, notwithstanding that they may not legally apply to the Commission, have been adopted by the Commission as best practices regarding the administration of personal information.

The CSA Privacy Standards outlines ten interrelated principles that form the basis of this Privacy Policy. Each principle must be read in conjunction with *The Freedom of Information and Protection of Privacy Act* (FOIP) and *The Health Information Protection Act* (HIPA). In cases of conflict of interpretation, the policy set out in FOIP or HIPA shall prevail.

This policy applies to all personal information collected by the Plan whether it is stored in paper, electronic, or other formats.

## 20.3 Policy

### Privacy Vision

The Commission seeks to foster and develop a culture of privacy protection by ensuring that personal information is:

- a) collected, used, and disclosed only as required to carry out the Plan's legitimate business and mandates; and
- b) properly protected through the use of appropriate security mechanisms.

### Summary of Privacy Principles

#### **1. Accountability**

The Commission is responsible for all personal information under its control. The Commission is responsible for designating a Privacy Officer who is accountable for the Plan's compliance with the Privacy Policy.

#### **2. Purpose**

The purpose for which personal information is collected shall be identified at or before the time the information is collected. The information that is collected will be restricted to what is needed and what is appropriate for the circumstances for which it is required.

#### **3. Limited Consent**

Obtaining consent from the member is the expected approach for the collection, use, and disclosure of personal information, but it is not always feasible, appropriate, or the only legal means of authority. The Commission will make reasonable efforts when obtaining consent to ensure that members understand how the information will be used and disclosed.

#### **4. Limiting Collection**

The collection of personal information shall be limited to that which is necessary for the purposes being supported. The information shall be collected in a fair and lawful manner.

## **5. Limiting Use, Disclosure, and Retention**

Personal information shall be used or disclosed only for the purposes for which it was collected or for a use consistent with that purpose, except with the consent of the individual or as specifically authorized by law.

## **6. Accuracy**

Personal information shall be as accurate, complete, and up-to-date as is reasonably necessary for the purpose for which it is to be used.

## **7. Safeguards**

Appropriate security safeguards shall protect personal information.

## **8. Openness**

The privacy principles, and the policies and procedures relating to their implementation, should be readily available.

## **9. Individual Access to Information**

Upon written request, and unless prohibited by law, an individual shall be given access to their personal information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

## **10. Inquiries or Complaints**

An individual may challenge a department or agency's compliance with these principles by contacting one of the responsible officials indicated under the first principle.

### Detail of the Commission's Privacy Principles:

#### **1. Accountability**

**The Pension Commission is responsible for all personal information under its control. The Commission is responsible for designating a Privacy Officer who is accountable for the Plan's compliance with the Privacy Policy.**

- 1.1 The Chair of the Commission is responsible for compliance with this policy, even though individuals administering the Plan on a day-to-day basis are responsible for the collection and processing of personal information. Other individuals may be delegated to act on behalf of the Chair as circumstances are warranted. The Chair of the Commission may delegate the role of Privacy Officer.
- 1.2 The Commission will implement policies and procedures to support this policy around protecting personal information, including:
  - Implementing procedures to protect personal information;
  - Establishing procedures to receive and respond to complaints and inquiries;
  - Ensuring the staff administering the Plan understands and adheres to these policies and procedures; and
  - Informing Plan members, appointing bodies, and others of these policies and procedures as required.

## 2. Purpose

**The purpose for which personal information is collected, shall be identified at or before the time the information is collected. The information that is collected will be restricted to what is needed and what is appropriate for the circumstances for which it is required.**

- 2.1 The collection of personal information related to Plan members is used to:
  - Administer the Plan;
  - Pay pensions to members, their spouses, and beneficiaries;
  - Meet statutory reporting requirements, including those in *The Municipal Employees' Pension Act (the Act)*, *The Pension Benefits Act, 1992 (the PBA)*, and the *Income Tax Act (Canada)*; and
  - Communicate Plan information to members.
- 2.2 If the Commission proposes to use personal information for a purpose not previously identified, this purpose shall be identified and documented prior to use. Except as authorized by law, the consent of the individual affected is required before the personal information can be used for the purpose in question.

### 3. Limited Consent

**Obtaining consent from the member is the expected approach for the collection, use, and disclosure of personal information, but it is not always feasible, appropriate, or the only legal means of authority. The Commission will make reasonable efforts when obtaining consent to ensure that members understand how the information will be used and disclosed.**

- 3.1 Participation in the Plan is mandatory for all employees of school boards, rural municipalities, urban municipalities, regional colleges, and regional libraries whose employers do not provide an alternate pension plan. Information provided by the employer and the member in relation to the Plan is collected, used, or disclosed under the authority of legislation such as the Act, the PBA and the *Income Tax Act* (Canada). In general, the acceptance of employment with a participating employer constitutes implied consent for the Commission to collect, use, or disclose personal information for all identified purposes.

There may be instances where the Commission may collect, use, or disclose personal information about a member without consent if it is clearly in the interests of the individual and consent cannot be obtained in a timely manner. It may also be necessary to disclose personal information for investigation of a breach of an agreement or contract, or contravention of a federal or provincial law, when personal information is disclosed to a lawyer representing the Commission to comply with a subpoena, warrant, or other court order, pursuant to lawful and authorized requirements for disclosure from government institutions, or as may otherwise be required or authorized by law.

- 3.2 In obtaining consent, the Commission will use reasonable efforts to ensure that a member is advised of the identified purposes for which the personal information will be used or disclosed. The purpose for use or disclosure of personal information will be communicated in a manner that can be reasonably understood by the member.
- 3.3 Where possible, the Commission will seek consent to use and disclose personal information at the time the information is collected. However, the Commission may seek consent to use and disclose personal information after it has been collected, but before it is used or disclosed for a new purpose.



- 3.4 Consent to use or disclose personal information may be implied or express. In determining the appropriate form of consent, the Commission will consider the sensitivity of the personal information and the reasonable expectations of the member.

#### **4. Limiting Collection**

**The collection of personal information shall be limited to that which is necessary for the purposes being supported. The information shall be collected in a fair and lawful manner.**

- 4.1 The Commission will limit its collection of personal information to only what is relevant for the purposes identified to the member.

#### **5. Limiting Use, Disclosure, and Retention**

**Personal information shall be used or disclosed only for the purposes for which it was collected or for a use consistent with that purpose, except with the consent of the individual or as specifically authorized by law.**

- 5.1 The Commission limits the use of member personal information to the following:

- Creating and maintaining a record of the member's information to administer the member's pension benefits;
- Calculating service purchase cost and past service pension adjustments;
- Preparing and distributing personalized member confirmation and communication documents;
- Preparing pension statements and benefit estimates;
- Calculating and paying pension benefits and issuing tax receipts;
- Verifying identity when responding to inquiries or information requests from members by mail, telephone, or email;
- Meeting statutory reporting requirements;
- Preparing Plan Valuations; and
- Facilitating general administration of the Plan.

- 5.2 Information shall be retained only for as long as necessary for the intended purposes.

- 5.3 The Commission shall ensure that personal information that is no longer required to fulfill the intended purposes is disposed of in an appropriate and timely manner.

## **6. Accuracy**

**Personal information shall be as accurate, complete, and up-to-date as is reasonably necessary for the purpose for which it is to be used.**

- 6.1 Information about a member collected from the participating employer will be sufficiently accurate, complete, and up-to-date to minimize the possibility that inappropriate personal information will be used to make a decision about an employee in the administration of the employee's pension and benefit entitlements.

## **7. Safeguards**

**Appropriate security safeguards shall protect personal information.**

- 7.1 The security safeguards will protect against loss or theft of personal information as well as unauthorized access, disclosure, copying, use or modification, regardless of the format in which the personal information is held.
- 7.2 The Commission will ensure that the Plannera Pensions & Benefits (Plannera ) has a policy that communicates the importance of maintaining the confidentiality of personal information to staff responsible for the collection and processing of personal information.
- 7.3 The Commission will ensure that Plannera has procedures in place to dispose of personal information in a manner that prevents unauthorized parties from gaining access to all personal information.

## 8. Openness

**The privacy principles, and the policies and procedures relating to their implementation, should be readily available.**

- 8.1 The Commission will make information about its policies and procedures available with respect to the management of personal information. This information will be communicated on the Plan website and in various written materials to employers, members, and others as appropriate.

## 9. Individual Access to Information

**Upon written request, and unless prohibited by law, an individual shall be given access to their personal information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.**

- 9.1 When requested in writing and upon verification of identity, the Commission will provide a member with information on the collection, use, and disclosure of the member's personal information and provide access to that information.
- 9.2 When a member successfully challenges the accuracy or completeness of the member's personal information, the information will be corrected or amended as required. When appropriate, the amended information will be provided to any third parties having access to the personal information in question.
- 9.3 When a challenge to the accuracy or completeness of personal information is not resolved to the member's satisfaction, the unresolved difference will be noted in the member's file. When appropriate, the unresolved difference regarding the member's information will be provided to any third parties having access to the personal information in question.
- 9.4 In certain situations, such as exemptions under FOIP or HIPA, the Commission may not be able to provide access to all personal information it holds about a member. Such instances would arise in situations where revealing certain personal information would reveal personal information about a third party or could reasonably be expected to threaten the life or security of the member or another individual. In addition, the Commission may not provide access to

personal information if the disclosure would reveal confidential commercial information, if the personal information is protected by solicitor-client privilege, if the personal information was collected in relation to the investigation of a breach of an agreement or a contravention of a federal or provincial law, or if the Commission is prohibited by law from disclosing the information. If the Commission cannot provide access to personal information, it will inform the individual requesting the personal information as to the reasons for denying access on request unless prohibited by law from doing so.

## **10. Inquiries or Complaints**

An individual may challenge the Commission's or an agent of the Commission's compliance with these principles by contacting one of the responsible officials indicated under the first principle.

10.1 The Commission will implement procedures to receive and respond to complaints or inquiries about its policies and procedures in relation to the handling of personal information. Inquiries should be addressed to:

Chair, Municipal Employees' Pension Commission  
c/o The Planner Pensions & Benefits  
110 – 1801 Hamilton Street  
Regina, Saskatchewan S4P 4W3

### **20.4 History**

Approval date:	October 21, 2011
Last review:	October 20, 2023
Next scheduled review:	October 2024

### III. General

#### Section 21 – Definitions

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#### 21.1 Purpose

The following section provides definitions associated with terms that are used throughout various sections of the Municipal Employees’ Pension Commission’s (the Commission’s) Governance Manual.

#### 21.2 Definitions

Words importing the masculine gender will have the same meaning in the feminine gender, and words used in the singular form will have the same meaning as those used in the plural form, as the context requires.

For purposes of the Commission’s Governance Manual, the following shall apply:

**“Actuarial Valuation”** means a report prepared by an actuary at periodic intervals, not less frequently than triennially, in accordance with generally accepted actuarial principles, in order to determine the value of the assets and future liabilities of a pension plan by means of appropriate valuation methods and reasonable valuation assumptions.

**“Actuary”** means a Fellow of the Canadian Institute of Actuaries.

**“Administrator”** means the Municipal Employees’ Pension Commission as administrator of the Municipal Employees’ Pension Plan.

**“Annual Report”** means the report submitted in each fiscal year of the Plan by the Commission to the Minister of Finance setting out the business of the Commission and audited financial statements for the preceding fiscal year.

**“Assistant Deputy Minister”** means an individual, reporting to the Commission, who is responsible for communicating Commission decisions, negotiating and executing agreements on behalf of the Commission, recommending Commission policies and changes thereto, and apprising the Commission regarding the activities of any party with whom the Commission has entered into an agreement. The Commission has delegated the responsibility for the performance of such services to Plannera .

**“CAPSA”** means the Canadian Association of Pension Supervisory Authorities.

**“CRA”** means the Canada Revenue Agency.

**“Chair”** means a member of the Commission who has been elected by members of the Commission to be the chairperson of the Commission.

**“Deficit”** means a negative amount identified in the actuarial valuation of the plan where actuarial value of plan assets minus the actuarial liabilities for the accrued benefits to be provided by the plan based upon actuarial assumptions as certified by the plan actuary is a negative number, or a deficit.

**“Executive Secretary Services”** means the tasks necessary for the organization of all Commission business and meetings.

**“Fiscal Year”** means a period of time commencing on January 1 and ending on December 31 of a given year.

**“ITA”** means the *Income Tax Act* (Canada).

**“J.A.I.R.”** means the Annual Information Return required to be filed jointly with the Financial and Consumer Affairs Authority of Saskatchewan and the Canada Revenue Agency by the pension plan administrator on an annual basis.

**“MEPP”** means the Municipal Employees’ Pension Plan.

**“PBA”** means *The Pension Benefits Act, 1992*.

**“Plannera ”** means the Plannera Pensions & Benefits .

**“Periodic Checklist”** means the list of activities that are being performed to support the oversight and management of the Plan. The checklist documents the key personnel responsible for ensuring the activities are being carried out, personnel who are responsible for carrying out tasks associated with

each activity, when the task was completed, and the supporting documentation to verify the completion of each task.

**“Policy Manual”** means a manual developed in accordance with federal and provincial pension legislation in order to formalize and document significant issues regarding specific administrative practices and procedures for the purpose of maintaining consistent and accurate instructions, which have been approved and adopted by the Commission.

**“Service Provider”** means an individual or organization providing administrative or support services, which have been delegated by the Commission through negotiated agreements, to ensure the proper administration and management of the Plan. Service providers include the following: Plan Administrator; Actuary; Legal Counsel; Auditor; Strategic Investment Consultant; Private Markets Consultant; Investment Managers; and Custodian.

**“SIP&P”** means Statement of Investment Policies and Procedures, which sets out the investment criteria and objectives for the assets of the Plan.

**“Stakeholder”** means an individual or organization that has a substantial interest in the operation and management of the Plan, including but not limited to: plan members/beneficiaries; participating employers; plan sponsor; unions/associations; and plan administration staff.

**“Surplus”** means the excess of the actuarial value of the plan assets over the actuarial liabilities for the accrued benefits to be provided by the plan, based upon actuarial assumptions, as certified by the plan actuary, i.e. actuarial value of plan assets minus actuarial liabilities equals a positive number, or a surplus.

### 21.3 History

Approval date:	February 18, 2005, September 21, 2007; November 21, 2008; November 20, 2015 and June 19, 2020
Last review:	October 20, 2023
Next scheduled review:	October 2024