



**UNIVERSITIES ACADEMIC  
PENSION PLAN**

# **BUSINESS PLAN**

**2023 – 2025**

**UNIVERSITIES ACADEMIC PENSION PLAN**

**BOARD OF TRUSTEES**

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[www.uapp.ca](http://www.uapp.ca)

## MISSION

The mandate of the UAPP Board of Trustees (Board) is described in the Sponsorship and Trust Agreement. The Board's mission is to deliver on its mandate in a manner that is consistent with:

- ▣ high quality services to the UAPP members and stakeholders,
- ▣ prudent investment of the Fund,
- ▣ seeking stable contribution rates within the funding requirements of the Employment Pension Plans Act,
- ▣ best practices in pension plan governance and management, and
- ▣ all applicable rules, laws and regulations.

## VALUES

In carrying out its mission, the Board is guided by the following values:

- ▣ work in full partnership with Sponsors,
- ▣ be member/stakeholder focused,
- ▣ be open, accountable and responsible for its actions,
- ▣ conduct UAPP business with trust, fairness and integrity,
- ▣ adhere to the highest ethical standards,
- ▣ value and treat its employees as a vital resource, and
- ▣ strive to adopt best business practices.

## STRATEGIC DIRECTION

### PROVIDE HIGH QUALITY, COST-EFFECTIVE PENSION BENEFITS ADMINISTRATION SERVICES

Systems and processes will be maintained and expanded to provide efficient and accurate benefits administration on a cost-effective basis. Benefits administration will be supported by new technologies to promote member self-service through the expansion of web-based services and information.

### OPTIMIZE LONG-TERM INVESTMENT RETURNS

Investment policies, guidelines, and asset mix will be regularly reviewed and adjusted to optimize investment returns within established risk tolerances. The Fund's risk tolerance will be reassessed on a regular basis.

### PROVIDE EFFECTIVE COMMUNICATIONS

A comprehensive communication program will be provided on an ongoing basis to promote an understanding of the pension plan among members and employers. Sufficient information will be provided to allow members to make informed decisions concerning their benefits. To reduce the use of hard copy and promote member self-service, web-based services will be expanded whenever possible.

### PRACTICE EFFECTIVE GOVERNANCE

Sound governance practises will be maintained and expanded to support the effective and efficient operation of the Plan. Operations of the Plan will be regularly reviewed to ensure effective internal controls are in place to safeguard the data and assets.

## PLAN INITIATIVES

To give effect to the Board's Strategic Direction, the following initiatives are planned.

### IMPROVE THE DELIVERY OF PENSION BENEFITS ADMINISTRATION SERVICES

Some of the regular tasks related to Plan administration are:

- Maintain effective partnership with service providers.
- Monitor performance and update standards as necessary.
- Enhance systems to make user interface with pension administration more efficient, such as making annual data reconciliation easier, building more complete data on members who have breaks in in-year service, readjusting edits for the annual data upload, and providing employers with extra data requirements for costing of spanned and other leaves of absence.
- Enhance member self-service by expanding information available on the website, promoting feedback through the Communiqué and the website and promoting direct contact between members and service providers.
- Strengthen internal controls, processes and reporting systems by providing trend reports on a quarterly basis to the Board, reconciling Plan member data, updating key policy documentation and processes, and meeting with the User Group at least twice a year or as often as required to discuss administration issues and develop common understanding.
- Perform annual pensioner audits in accordance with established guidelines to reduce the risk of over-payments.

Specific key tasks planned for the next 3 years:

#### 2023

- Investigate potential improvements to employer administration manual.
- Discuss potential re-design of website with developer.
- Review layout of the Retirement Planner to ensure consistency with any re-design of the website.
- Review the effectiveness of training materials provided to employers.
- Design and implement annual statement for members with deferred pensions.

#### 2024

- Implement re-design of the website, as needed.
- Evaluate annual pensioner audit guidelines.
- Update layout of the Retirement Planner as needed.
- Implement potential improvements to employer administration manual.
- Review status of annual statements for members with deferred pensions.

#### 2025

- Review performance of Buck as pension administration service provider and renew contract.
- Gather feedback on re-design of the website.
- Coordinate with employers the production of the triennial pension audit reports.

## REVIEW AND ENHANCE INVESTMENT STRATEGIES

Some of the regular tasks related to Plan investments are:

- ▣ Optimize long-term investment returns by monitoring the implementation of changes to the asset mix and the associated costs and assessing the actual performance of the Fund against the range of expected outcomes at the time of the asset/liability modelling study.
- ▣ Monitor and adjust risk exposures by adopting risk policy guidelines as determined by the Board.
- ▣ Measure and monitor investment performance by monitoring investment managers' performance and implementing identified changes.
- ▣ Explore appropriateness of the current investment manager mandates and make changes as necessary.
- ▣ Work with the investment managers to improve quarterly reporting to the Investment Committee.
- ▣ Review and update the Statement of Investment Policies and Goals (SIP&G) as necessary.
- ▣ Develop and maintain cash management policy.

Specific key tasks planned for the next 3 years:

### 2023

- ▣ Review statement of investment beliefs in the SIP&G.
- ▣ Review effectiveness of asset mix changes.
- ▣ Determine portfolio construction of public equities.
- ▣ Conduct investment manager searches.
- ▣ Transition to new investment managers resulting from searches.

### 2024

- ▣ Update Cash Management Policy related to new investment managers.
- ▣ Assess the actual fund performance against expected outcomes from asset/liability study.

### 2025

- ▣ Consider whether an asset/liability modelling study should be undertaken.
- ▣ Assess effectiveness of manager selection process following changes derived from asset/liability modelling study.

## ENHANCE COMMUNICATION PROGRAMS

Some of the regular tasks related to communications are:

- Provide effective communications programs by updating the website as necessary, reviewing the Annual Member Statements for enhancements to aid members' understanding of the Plan, providing one-on-one sessions as requested, updating the annual Member Handbook, and producing the quarterly Communiqué and Annual Report.
- Strengthen relationship with stakeholder groups by meeting with Sponsors and other groups on issues related to the UAPP, providing pension administrators training as necessary, and making available on request, pension information seminars.
- Continue ongoing communication with other public-sector pension plans, particularly Local Authorities Pension Plan, Public Service Pension Plan, and Alberta Teachers' Retirement Fund.

Specific key tasks planned for the next 3 years:

### 2023

- Gather feedback on any changes made to Information Sheets.
- Evaluate strategy for dealing with unlocatable members with deferred pensions and Amounts-Held-On-Deposit.
- Evaluate improvements to format of quarterly Communiqué.
- Implement improvements to tools for member feedback.
- Review Annual Report template.
- Implement results of employer feedback survey.
- Evaluate effectiveness of improvements in investment reporting in quarterly Communiqué.

### 2024

- Evaluate effectiveness of new tools for member feedback.
- Review status of remaining unlocatable members with deferred pensions and Amounts-Held-On-Deposit.
- Evaluate need for re-design of annual Member Handbook.
- Implement identified improvements to Annual Report template.
- Evaluate effectiveness of changes resulting from employer feedback survey.
- Implement improvements in investment information reported on the website, if any.

### 2025

- Implement identified improvements to annual Member Handbook.
- Evaluate improvements to Annual Report template.
- Gather feedback on improvements in investment information reported on the website, if any.

## EFFECTIVE AND EFFICIENT PLAN GOVERNANCE

Some of the regular tasks related to Plan governance are:

- Regularly monitor the financial position of the UAPP and keep apprised of the relevant risks.
- Analyze the Sponsorship and Trust Agreement and propose changes for Plan Sponsors' consideration.
- Work with Plan Sponsors on Plan design changes.
- Keep Plan Sponsors informed about developments of relevance to the UAPP.
- In collaboration with Plan Sponsors, deal with Alberta Treasury Board and Finance officials on any issues that arise, including the Plan's unfunded liability.
- Continue to make available opportunities to Board members to develop their knowledge and good governance skills regarding pensions.
- Continue to explore solutions on issues surrounding the pre-1992 unfunded liability.
- Annually review the Funding Policy and update as necessary.
- Monitor the cyber security measures in place for protecting member data and the Trustees' Office system.
- Prepare triennial assessment of plan activities.
- Review Board's internal policies at least every five years or as required by legislation.
- Complete annual risk assessment.
- Prepare Board skills matrix self-assessment every other year or if there is a significant change in Board members.

Specific key tasks planned for the next 3 years:

### 2023

- Undertake an actuarial valuation of the Plan as of December 31, 2022.
- Complete triennial assessment of plan activities as required under legislation.
- Follow up on any findings which result from independent audits of employer data and reporting.
- Undertake mortality experience study of the Plan.
- Implement updated Trustees' Office benefit program, as needed.
- Develop cyber breach response procedures.
- Review Trustees' Office staffing requirements.

### 2024

- Evaluate updated Trustees' Office benefit program, as needed.
- Analyze Trustees' Office premises requirements due to 2025 expiry of current lease.
- Implement any findings which result from independent audits of employer data and reporting.
- Implement improvements to plan activities stemming from triennial assessment, as needed.

### 2025

- Undertake an actuarial valuation of the Plan as of December 31, 2024, as needed.
- Evaluate need for updated accounting/financial software for the Trustees' Office.