

COUNCIL OF
ONTARIO UNIVERSITIES
CONSEIL DES
UNIVERSITÉS DE L'ONTARIO

February 26, 2009

Via Courier

Private and Confidential

The Honourable Dwight Duncan
Minister of Finance
Attention: Comments on Report of the Expert Commission on Pensions
c/o Pension and Income Security Policy Branch
5th Floor, Frost Building South
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Dear Minister Duncan:

The Council of Ontario Universities ("COU") appreciates the opportunity to provide comments on the Report of the Expert Commission on Pensions (the "Report"). The preparation of this Report was a significant undertaking and we commend the Ontario government for initiating the preparation of such a comprehensive Report. And since we appreciate great research, we acknowledge the excellent body of work created through the various research projects established by the Expert Commission.

Background on University Pension Plans

Pension plans at universities in Ontario cover approximately 45,000 active members and 28,000 retired, deferred vested and other members, and have assets that total approximately \$14 billion. Most of the pension plans are defined benefit pension plans or hybrid pension plans (defined contribution plans with a minimum defined benefit guarantee). Therefore, we strongly support the principles established by the government to guide the work of the Expert Commission, including the importance of maintaining and encouraging the system of defined benefits pension plans in Ontario and the importance of maintaining the affordability of defined benefit pension plans for both members and sponsors.

COU's Response to the Report

We commend the Report for introducing new types of pension plan arrangements, such as the Jointly Governed Target Benefit Plan ("JGTBP"), and fostering an environment to create other types of new designs and financing /risk-sharing arrangements. We also support the recommendations to reinvent the pension regulator and the regulatory framework in Ontario. However, this letter will focus on the Report's recommendations on solvency funding given the severe consequences these recommendations would have for universities.

Prior Submissions by COU to the Ministry of Finance on Solvency Funding

Prior to the creation of the Expert Commission on Pensions, COU had made a number of submissions to the Ministry of Finance in connection with the solvency funding requirements under the Ontario *Pension Benefits Act*. COU identified this as an issue of paramount importance to the universities. Over time, the provinces of Alberta, British Columbia, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador and Nova Scotia have all provided universities with some degree of permanent relief from the traditional funding requirements in the pension legislation of those provinces (our submission to the Expert Commission provided details for each of the provinces). This leaves Ontario as one of the few provinces that has not provided a permanent solution to deal with solvency funding requirements for universities.

Report's Recommendations on Solvency Funding Are a Step Backwards for Universities

In our submission to the Expert Commission, we once again focused on the solvency funding issue, since for universities it was central to the principle of maintaining the affordability of defined benefit and hybrid pension plans. Therefore, we are deeply disappointed that the Report does not adequately address this issue for universities. In fact, it significantly worsens the situation by recommending that indexing provisions currently excluded from the solvency valuation now be included, and that solvency funding be required up to 105% of solvency liabilities. This would be devastating to universities given the number of indexed pension plans, and could in fact drive many universities into institutional insolvency.

The solution offered by the Report in order to be exempted from solvency funding is the creation of pension plans with joint governance and joint risk sharing. This is simply not a practical solution for universities given there are over 100 collective bargaining (or similar) agreements governing the terms and conditions of the defined benefit and hybrid pension plans. Creating the types of plans that would exempt universities with defined benefit and hybrid pension plans from solvency funding requirements would have to be legislated by the government.

Requiring solvency funding for university pension plans is going to have a significant impact on university operating budgets given the volatility of the solvency payments. Allocating scarce financial resources to fund pension plans across the university system as if they are all wound-up does not make sense. Since the Ontario government is the primary funder of universities, it would actually be much less expensive and more effective for the government to just guarantee pension benefits if a university has to wind-up its pension plan as a result of shutting down its operations. That risk is very small for any individual university and negligible for the sector. A separate fund, to which the universities contribute, could be set up to deal with that, which is one of the suggestions in the COU submission to the Expert Commission.

If solvency funding requirements divert operating revenues from the academic mission, the resulting massive budget cuts will mean that universities will lose the progress they have made with the *Reaching Higher* funds provided by the government.

On page 74 of the Report, the following statement is made:

"Finally, every Canadian jurisdiction requires both solvency and going concern valuations, with funding set at the higher of the two. For Ontario to adopt a fundamentally different approach on a matter of such importance would require more compelling reasons than I have been able to muster."

In fact, by not providing Ontario universities with a solvency funding exemption, Ontario is adopting a fundamentally different approach from other provinces on the solvency funding issue.

Disagreement With Underlying Premises for Solvency Funding Recommendations

The Report arrives at its recommendations with respect to solvency valuation funding based on three underlying premises that we strongly disagree with:

- The **risk framework** that determines whether or not a solvency valuation will be required:
 - The risk framework that drives the Report's recommendations with respect to solvency valuations is essentially based on the plan sponsor and the plan members sharing risk on a 50/50 basis. To the extent the pension plan is jointly governed with joint risk sharing, including an ability to reduce benefits on an ongoing basis and/or on wind-up, solvency valuations would not be required. In any other situation, solvency valuations would be required.
 - This risk framework ignores the most important risk factor, which is the risk of pension plan wind-up resulting from the insolvency of the plan sponsor. Under that definition, universities are a very low-risk plan sponsor.
- The "**carrot and stick**" approach which Dr. Arthurs has clearly articulated he is using to drive plan sponsors to joint governance with joint risk sharing:
 - The "carrot and stick" approach being used to drive plan sponsors to new types of plan designs and financing/risk-sharing arrangement is not a practical approach for universities who would have limited ability to move to these new approaches unless legislated to do so. Furthermore, the recommendations severely penalize a plan sponsor who cannot get there because of, for example, existing collective agreements.
- The perspective on **plan governance structures** for Single Employer Pension Plans (SEPPs), which encompasses all the Ontario university pension plans:
 - The Report seems to imply that joint governance is the only effective governance model. It ignores the fact that many SEPPs have well developed governance structures that involve active and retired members through committees and through the collective bargaining process. The attachment to this letter summarizes the committee structures at a number of Ontario universities.

- The solution to the solvency issue for universities simply cannot be to morph into a MEPP, JSPP or JGTBP, as clearly suggested on page 72 of the Report. There is little incentive for pension plan members to agree to such a change. With representation already in place through pension committees and the collective bargaining process, and with universities bearing more than 50% of the current cost, why would plan members be interested in joint governance based on joint risk sharing, including the possible reduction of benefits, simply to exempt the plan sponsor from having to make solvency special payments?

Impact of Maintaining Solvency Funding Requirements for Universities

In general, government regulates the funding of universities and the tuition they can charge. In rough terms, on average, Ontario's publicly-assisted universities derive about 50% of their operating revenues from provincial operating grants.

The recent University Pension Plan Financial Survey prepared for the Ministry of Finance provided an estimate of the solvency special payments that would be required based on the estimated October 31, 2008 funded status of 21 university defined benefit and hybrid pension plans. **The combined solvency special payments across the 21 pension plans ranged from \$310 million to \$474 million per year for five years**, depending on the level of going concern special payments (the lower the going concern special payments due to asset smoothing, the higher the solvency special payments).

Even with the solvency amortization period extended to 10 years on a short-term basis, **the annual solvency special payments would range from \$172 million to \$336 million per year for 10 years**. Granted, these are based on an unprecedented market downturn, however, even a modest market downturn would have created solvency funding that would have created significant cuts to university operating budgets.

Impact of Adding Indexation to Solvency Liabilities

The Report's recommendation to include indexation provisions in the solvency valuation would have a staggering impact and could drive many universities into institutional insolvency. Based on the last filed actuarial valuations for the 21 university defined benefit and hybrid pension plans, **the inclusion of indexation provisions in solvency valuations would increase the solvency liabilities by approximately \$1.9 billion**. That excludes the Report's recommendation to require funding up to 105% of solvency liabilities. **The amortization payments for this additional liability alone would be approximately \$430 million per year for 5 years**, which represents approximately 14% of annual operating grants to universities. This is on top of the amounts noted above under the current rules.

We note that indexing was excluded from the solvency valuation specifically to encourage plan sponsors to offer indexed benefits. Universities have made indexing provisions an important component of their pension plan designs. To now change the rules in the middle of the game, with no ability to undo what has already been granted, is simply not acceptable.

Moving Forward

The manner in which universities are funded creates a completely different risk framework that makes a sector specific solution the only way to address this issue. We have differentiated

universities from the private sector based on the fact that the risk of a university shutting down is small and the risk of a wind-up funding shortfall is also small given the university land, buildings and other assets that would be available to sell off in the event of institutional insolvency. However, there is also the issue of risk on an ongoing basis.

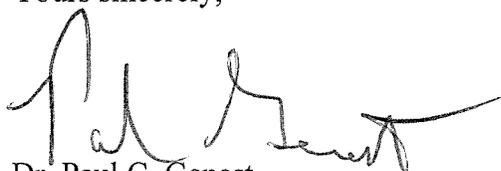
Compared to private sector companies, universities have much more fixed revenue which makes it difficult to deal with variability of pension cost because of the fixed nature of that revenue. Universities do not have retained earnings to draw from to deal with additional pension funding on short-term basis and they don't have "good times" where they can put more than the minimum funding in their pension plan. Universities may in fact be better able to deal with stronger going concern funding requirements than private sector companies but really have no ability to deal with the significant variability associated with solvency funding. In other words, universities may actually have more of an ability to deal with long-term funding risk than private sector companies but much less ability to deal with short-term funding risk.

We are not simply asking for a permanent exemption from solvency valuation funding requirements. We recognize that there may be trade-offs on stricter going concern funding rules that accompany that exemption. There is clearly a need for longer-term solutions to ensure that university pension plans are sustainable. And there are a number of recommendations of the Expert Commission that merit consideration. To that end, we see an opportunity to engage in a joint government/university working group process to develop longer-term sector-specific solutions for maintaining the health and viability of university pension plans.

We will be proposing terms of reference for the working group under separate cover.

Postsecondary education is vital to the future of Ontario. However, without a permanent solution to the solvency funding issue for Ontario universities, their ability to fulfill their role in shaping Ontario's future will be severely impaired.

Yours sincerely,



Dr. Paul C. Genest
President

Cc: Hon. John Milloy, Minister of Training, Colleges and Universities
Peter George, Chair, Council of Ontario Universities
Sheldon Levy, Vice-Chair, Council of Ontario Universities

McMaster Pension Trust Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • sixteen (16) members • four (4) <i>ex officio</i> members • four (4) appointed by the finance Committee of the Board of Governors • eight (8) members of the plan, three (3) of whom are members of the faculty association 	<ul style="list-style-type: none"> • make recommendations to the Board of Governors regarding general pension investment policy and the annual Statement of Investment Policies and Objectives; • monitoring and reviewing the performance of investment consultants and fund managers; • making recommendations to the Board of Governors regarding the appointment or replacement of the investment consultants and fund managers, and deviations or proposed deviations by fund managers from the Statement of Investment Policies and Procedures; • commenting and making recommendations to the Finance Committee on the performance and appointment of the actuary, and the actuarial methods and assumptions used in determining the financial condition of, and contributions to, the plan; • commenting and making recommendations to the Finance Committee on proposed changes to the plan text, and proposing changes to the plan text; • monitoring the administrative expenses paid from the plan and determining whether they are appropriate, and monitoring the annual calculation of the “Net Interest on the Fund” and the “Annual Pension Increase”; • discussing and promoting awareness and understanding of the plan to beneficiaries.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

Ryerson Employee Relations and Pensions Committee		
Nature of the Committee	Composition	Key Responsibilities
<p>Advisory to the Board of Governors on some matters</p> <p>Decision-making authority regarding matters delegated by the Board of Governors</p>	<ul style="list-style-type: none"> • nine (9) members, all of whom are members of the Board of Governors • one (1) member of the Board of Governors who is a member of the faculty must be a member of this committee 	<ul style="list-style-type: none"> • amending the plan provided the amendment is necessary to comply with applicable legislation, does not affect benefit or contribution levels and is administrative in nature; • developing a recommended Statement of Investment Policies and Procedures; • recommending demographic assumptions upon which actuarial values of the plan will be based; • recommending funding targets and actuarial valuation methods for Ryerson's approval; • monitoring the investment of the fund for compliance with the Statement of Investment Policies and Procedures and applicable legislation; • reviewing the appropriateness of contribution and benefit levels for members having regard to the cost implications to Ryerson; • monitoring the activities performed by Ryerson employees responsible for the day-to-day investment transactions, funding, custodial transactions and administration of the plan and fund; • establishing and revising internal reporting, authorization, monitoring, completeness, accuracy and compliance controls and procedures regarding the carrying out of the committee's obligations; • monitoring and reviewing the investment philosophy, policies, asset mix and strategies, and recommending changes to the University as required; • appointing the investment manager(s) and funding agent(s), executing and amending any contracts necessary to give effect to those appointments and monitoring their remuneration and performance; • assisting Ryerson in ensuring that all required information and fees are filed with the regulatory authorities in compliance with applicable legislation such as, the annual information return and fees, audit financial statements, reciprocal agreements, pension adjustments, and the like;

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- assisting Ryerson in providing all required information to members of the plan and all other persons entitled to information;
- assisting Ryerson in determining entitlements to benefits payable under the plan and authorizing the payment of such benefits.

Ryerson Pension Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Employee Relations and Pension Committee	<ul style="list-style-type: none"> • ten (10) voting members • four (4) university designates, • six (6) members of the plan, two (2) of whom are members of the faculty association 	<ul style="list-style-type: none"> • monitoring and reporting to the respective principles on the administration of the plan and make recommendations; • promoting awareness and understanding of the plan to beneficiaries; • annually reviewing the pension fund, financial statements and the trustee's report; • reviewing and advising the administrator on reciprocal agreements; • reviewing and recommending changes to the actuarial assumptions and method of valuation; • recommending amendments to the plan and changes to the benefit level and appropriate funding requirements.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

University of Waterloo Pension and Benefits Committee

Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • thirteen (13) voting members • three (3) members of the faculty association • all members are appointed on the recommendation of the President except the Vice-President, Academic & Provost and Vice-President, Administration & Finance 	<ul style="list-style-type: none"> • making and enforcing rules and regulations for the effective management of the plan, and deciding all questions concerning the plan, including eligibility to participate in the plan; • preparing accounts and records showing the detailed operation of the plan and making an annual report to the Board of Governors; • recommending changes to pension and benefits plans to keep them current with respect to other universities and major employers, being mindful of the financial context in which the university operates; • reviewing the annual audit of the financial statements and recommending the investment policy to the Board for its approval; • appointing the actuary, commission research and making recommendations to the Board regarding the appointment of custodians/trustees and fund managers; • making policy decisions relevant to the administration of benefits plans and to periodically adjust plans as required to comply with legislation.

University of Waterloo Finance and Investment Committee

Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • up to seven (7) members • at least four must be external members of the Board of Governors, one (1) of whom must also be a member of the Audit Committee • no stipulated faculty membership 	<ul style="list-style-type: none"> • reviewing and recommending all investment policies and guidelines to the Board of Governors, either directly or indirectly through the Pension and Benefits Committee; • annually assessing the terms of reference of the Pension and Benefits Committee; • assisting, advising and reviewing on matters relating to the appointment of custodians/trustees and fund managers.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

University of Guelph Pension Trust Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • twelve (12) members • five (5) university designates • the Board Chair • the President • five (5) members total from the two (2) pension plans, two (2) of whom are members of the faculty plan 	<ul style="list-style-type: none"> • making recommendations to the Board of Governors relating to the governance structure for the plans and the documented roles and responsibilities for the university's decision-making and advisory bodies involved in the oversight and administration of the plans; • making recommendations to the Board of Governors regarding the design and text of any new plans or amendments to the existing plans, except for changes that affect current or future liabilities of the plans; • approving administrative changes to the text of the plans, except for changes that affect current or future liabilities of the plans; • appointing and monitoring the performance of the actuary and custodial trustee, and reviewing and approving the major actuarial assumptions used in the preparation of the actuarial reports and the annual audited financial statements of the plans; • monitoring the activities of the Investment Management Committee and review and approve the Statement of Investment Policies & Procedures; • monitoring on an annual basis the funded status of the plans; total fund investment performance; compliance with legislative requirements and with the Statement of Investment Policies & Procedures.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

University of Guelph Investment Management Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to Pension and Benefits Committee	<ul style="list-style-type: none"> • up to eight (8) members appointed by the Board of Trustees • the President or his/her designate • managing Director if the Heritage Trust (non-voting member) 	<ul style="list-style-type: none"> • reviewing, recommending and implementing the Statement of Investment Policies and Procedures and other investment policies and guidelines; • approving the appointment or termination of the investment managers; • reviewing and approving the investment managers' mandates; • monitoring the performance of investment managers and that pension investment performance is consistent with the Statement of Investment Policies and Procedures; • monitoring the ongoing appropriateness of and compliance with the Statement of Investment Policies and Procedures.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

University of Ottawa Pension Plan Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • thirteen (13) members • one (1) <i>ex officio</i> member • the Director of Human Resources Service • six (6) members appointed in a manner prescribed by the Board* • one (1) member of the Faculty of Medicine appointed by the Board • three (3) members of the faculty association to be appointed by the faculty association 	<ul style="list-style-type: none"> • monitoring the administration of the pension fund to ensure compliance with the terms of plan by-laws, the pension fund expense policy and the Statement of Investment Policies and Procedures; • monitoring any proposed plan benefit modifications and advising the Board regarding these modifications and on any other matter which the committee has been asked to advise; • monitoring compliance with legislation, the funding of the plan and communications to members; • reviewing and recommending on the actuarial valuation, on policies relating to the administration of the pension fund, including the pension fund expense policy and the proposed annual budget of fees and expenses to be charged to the pension fund; • interpreting, as required, any matters relating the plan by-laws, the methods used for calculating benefits and determining the right to a benefit; • ensure that the University has satisfied all of its plan governance and fiduciary obligations.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

University of Ottawa Pension Fund Investment Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors/Executive Committee	<ul style="list-style-type: none"> • eight (8) members • three (3) neutral persons who is neither an employee of the University of Ottawa nor a member of the plan, one (1) of whom serves as Chair, all of whom are appointed by the Board of Governors • the Vice-Rector of Resources • two (2) members of the faculty association that are appointed by the Board of Governors • one (1) member of the plan also appointed by the Board of Governors) 	<ul style="list-style-type: none"> • approving criteria for investment manager selection and performance criteria; • monitoring the performance of the trustee/custodian and the investment managers, and compliance with the Statement of Investment Policies and Procedures and applicable legislation; • making recommendations to the Executive Committee regarding the adoption of any investment managers mandates/contracts, securities lending agreements and trust/custodial agreements related to the plan; • making recommendations to the Executive Committee regarding the criteria for trustee/custodian selection and performance evaluations, and the appointment removal or retention of the trustee/custodian and investment managers.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

Trent University Pension Subcommittee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • six (6) members • three (3) representatives of the Board of Governors, one of whom must be the senior administrative official responsible to the Board of Governors for the plan • three (3) members of the faculty association to be appointed by the faculty association 	<ul style="list-style-type: none"> • establishing its own bylaws; • receiving copies of the audited financial statements, quarterly reports on the investment performance of the pension fund, the excess investment earnings report and other reports and Valuations by the actuary, and any modifications or amendments proposed or made to the Memorandum on Actuarial Assumptions or the Statement of Investment Policies and Goals; • making recommendations to the Board of Governors regarding the appointment of the actuary and financial carrier; • having consultations with the University before the University amends its Statement of Investment Policies and Goals of the plan; • annually reporting to the Board of Governors and the faculty association; • monitoring the plan and consider and make recommendations to the Board of governors and the faculty association regarding amendments to the plan; • discussing matters relating to the plan and the investment portfolio, as required, with the Investment & Audit Committee.

All of the information pertaining to the various university governance structures contained herein was obtained from publicly available sources in the period between July 2008 and December 2008

Trent University Investment & Audit Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • two (2) <i>ex officio</i> members • such other members of the Board of Governors as the Board of Governors considers appropriate • such other members as the Board of Governors considers appropriate provided that they are not members of the Board of Governors • members of the Board of Governors will form a majority of the members of the Committee 	<ul style="list-style-type: none"> • reviewing and recommending for approval to the Board of Governors investment and distribution policies, audited financial statements and actuarial valuations; • monitoring the financial health, administration and governance of the plans; • making recommendations regarding the appointment of the actuary and external auditors; • appointing the custodians/trustees and investment managers; • assisting in the selection of pension consultants and investment performance appraisal services; • monitoring compliance with applicable legislation, other regulatory and government accountability requirements and risk assessment practices; • making recommendations regarding risk management or other areas of the board of Governors' accountability.

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Wilfrid Laurier University Pension Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Governors	<ul style="list-style-type: none"> • twelve (12) members • six (6) university designates • six (6) appointees of the Nominations Committee, two (2) of whom are members of faculty 	<ul style="list-style-type: none"> • ensuring that the University has satisfied all of its plan governance and fiduciary obligations; • reviewing legislation regarding plan administration and ensure system are established to facilitate monitoring of the Board's governance role; • reviewing and making recommendations regarding all relationships with third party service providers related to plan administration, including the appointment of the actuary and administrator; • monitoring the performance of plan investments and making recommendations regarding the appointment of investment consultants and fund managers; • monitoring to ensure plan investments and funding are managed according to law and Board investment policy.

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Brock University Pension Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Trustees	<ul style="list-style-type: none"> • fifteen (15) members • three (3) <i>ex officio</i> members • one (1) member appointed by the Board of Trustees • eleven (11) members of the plan, seven (7) of whom are members of the faculty association • all members of the plan on the committee are appointed by the Board of Trustees on the recommendation of the President 	<ul style="list-style-type: none"> • keeping the plan under review, studying matters of interest to members of the plan and taking account of their impact on the plan; • maintaining a review of the investment performance of the Trust Fund.

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York University All University Committee on Pensions

Nature of the Committee	Composition	Key Responsibilities
Advisory to the Vice-President, Finance & Administration (delegate of the Board of Governors)	<ul style="list-style-type: none"> eleven (11) members two (2) university designates nine (9) plan members, two (2) of whom are members of the faculty associations 	<ul style="list-style-type: none"> reviewing practice regarding the scope and nature of the plan, considering proposals and opportunities for improving benefits under the plan, and making recommendations that are in the best interest of plan members; all recommendations are submitted to the Vice-President, Finance & Administration for assessment regarding their impact on the University's financial operations and commitments, and their relation to its compensation policy and various collective agreements.

York University Pension Fund Board of Trustees (Pension Trustees)

Nature of the Committee	Composition	Key Responsibilities
Advisory to Board of Governors [CHECK WITH EMB]	<ul style="list-style-type: none"> sixteen (16) members three (3) members of the Board of Governors three (3) members of the administration recommended by the President ten (10) members of the plan, three (3) of whom are members of the faculty associations 	<ul style="list-style-type: none"> approving the Statement of Investment Policies and Procedures, management structure, asset classes and target allocations for the Asset Mix Policy and other investment policies that are reasonable and necessary to provide for the prudent investment of the pension assets; approving the appointment or termination of the investment managers, actuary, auditor, independent professional advisors and custodian, and Custodial Services and Securities Lending Agreements; approving audited financial statements and annual operating budget for investment expenses; monitoring achievement of fund objectives, fund and asset class performance, asset mix and manager allocations and annual operating expenses relative to operating budget; ensuring compliance of the Sub-Committee on Investment Performance with the Terms of Reference and compliance with the Statement of Investment Policies and Procedures and all other investment policies.

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York University Sub-Committee on Investment Performance (SCIP)		
Nature of the Committee	Composition	Key Responsibilities
Advisory to Pension Trustees	<ul style="list-style-type: none"> at least five (5) members members to be appointed from some or all of: the Board of Governors; the Pension Trustees; University administrative officers with responsibilities in pension operations; expert advisors who are recognized in the pension investment community for their expertise and experience with investment issues members appointed by the Pension Trustees in consultation with the President, the Chair of the Board of Governors and the SCIP 	<ul style="list-style-type: none"> approving investment manager mandates; approving the appointment or termination of performance evaluation service provider; making recommendations to the Pension Trustees regarding changes to: the Statement of Investment Policies and Procedures; the management structure; asset classes and target allocations for the Asset Mix Policy; the appointment or termination of investment managers; and other investment policies that are reasonable and necessary to provide for the prudent investment of the pension assets; monitoring compliance with investment policies and legal and regulatory requirements for the pension fund; monitoring the performance of the fund, asset class and fund manager performance relative to return expectations and benchmarks; monitoring the ongoing appropriateness and effectiveness of the pension investment program; monitoring investment risk measures of the managers and total fund.

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Queen's University Pension Committee		
Nature of the Committee	Composition	Key Responsibilities
Advisory to the Board of Trustees	<ul style="list-style-type: none"> • eleven (11) members • two <i>ex officio</i> members • three (3) University designates • two (2) retired members of the plan • four (4) active members of the plan two (2) of whom are members of the academic staff • all members of the plan on the committee are appointed by the Board of Trustees on the recommendation of the Principal and/or Nominating Committee 	<ul style="list-style-type: none"> • determining all questions relating to the administration of the plan, including the interpretation and application of the provisions of the plan, and the eligibility, service, earnings and retirement dates of members; • reviewing the performance of the Trust Fund, and making recommendations to the Board regarding proposed changes to the plan or the appointment of the custodian of plan assets and/or investment counsellors; • advising the Director of Pensions, Investments and Insurance on communications to plan members about provisions of the plan; • providing opportunities for plan members and employee groups to submit suggestions and comments when significant changes to the plan are being considered.

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University of Western Ontario Academic Pension Board		
Nature of the Committee	Composition	Key Responsibilities
Academic Plan Administrator	<ul style="list-style-type: none"> • seven (7) members • three (3) <i>ex officio</i> members (the same members as on the Joint Pension Board) • four (4) elected faculty members (the same members as on the Joint Pension Board) 	<ul style="list-style-type: none"> • full power to administer the Academic plan; • supplementing, modifying or amending the plan or recommending changes in the plan to the Board of Governors; • making and enforcing rules and regulations that it deems necessary for the equitable, effective and efficient administration of the plan; • interpreting the plan; • recommending the retention of and mandate for investment service providers that it deems appropriate; • recommending payments to be made in special circumstances that are not covered under the terms of the plan; • overseeing the preparation of financial statements and records showing the detailed operation of the plan; • arranging for the audit of financial statements and accounts by independent auditors and presenting the statements to the Audit Committee of the Board of Governors; • appointing the actuary, legal counsel or other advisors and commissioning studies that may be required for the effective administration of the plan; • providing investment information and decision making tools to all stakeholders; • initiating any legal actions that may be considered necessary to protect the interests of the beneficiaries of the plan.

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University of Western Ontario Joint Pension Board		
Nature of the Committee	Composition	Key Responsibilities
	<ul style="list-style-type: none"> • eleven (11) members • three (3) <i>ex officio</i> members • four (4) elected faculty members • four (4) elected members of the administrative staff 	<ul style="list-style-type: none"> • the Joint Board is simply a combination of the Academic and Administrative Staff Pension Boards and does not have any additional powers or responsibilities beyond those that have been delegated to the Academic and Administrative Pension Boards.

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