



INTRODUCTION

Dear Plan Members

The Staff Pension Plan Report to Members for the year ended December 38lp/2001des a summary of plan provisions, membership statistics, the plan's financial health at the end of the year, and highlights to that have taken place in the plan during the year.

The Staff Pension Plan Investments and Administration Ottorem

PLAN GOVERNANCE

For the purposes of the British Columbia Pension Benefits Standardheldhiversityis the "administrator" of the plan, and has ultimate legal responsibility for the administration of the plan and the investment of the Trust Furd. To enable the University discharge these responsibilities, the Board of Governors has constituted the Governance Committee, the Investments and Administration Committee and the Pension Advisory Committee. Current membership in these committees is as follows:

Investments and Administration Committ

Governance Committee

Purpose oversight of investments, operations and benefits administration

Purpose strategicplanning (establishment and oversight of the pan's mission, goals and policies)

Members
Kristi Simpson (Chair)
Kane Kilbey
Don Barnhardt
Andrew Coward
Michael Gaudet
Jill Stringer
Kathryn MacLeod
Tony Eder
Janet McPherson (Secretary)

Members
Kane Kilbey (Chair)
Gayle Gorrill
Kristi Simpson
Susan Service
John Gilfoyle
Janet McPherson (Secretary)

Advisory Committee

Purpose to provide input on member communications and matters relating to administration of the plan and to promote awareness and understanding of the plan amongst members, former members and pensioners

Members
Kristi Simpson (Chair)
Kane Kilbey
Shari Winter (Exempt)
Marina Baginski (CUPE 917)
Claude Champagne (CUPE 917)
Pat Shad (CUPE 951)
Kara White (CUPE 951)
Chris Spratt (Retiree)
Janet McPherson (Secretary)

DESCRIPTION OF

Notwithstanding the above, shout the University be required to make contributions as a result of a solvency and/or going concern, the University ill contribute 100% of the cost and the University ill then be entitled to 100% of future surplus until the amount contributed is fully recovered.

5) Plan solvency

Under the Pension Benefits Standards Regulation, (AQ) ension plan must undertake a plan valuatton assess the financial health of the plan at intervals not exceeding 3 years. During 2011, the plan actuary conducted a valuation as at December 31, 2010 he next valuation of the plan as at December 31, 2013 is being conducted in 2014; the results to is valuation will be available in September 2014.

The solvency valuation assumes that the plan is terminated as at the valuation date. The following table compares the results of the solvency valuation as at December 31, 2010 with the previous valuation at December 31, 2007.

	December 31, 201	December 31, 200
A - Solvency Assets	\$166,410,444	\$151,179,529
B - Solvency Liabilities	199,392,948	150,118,653
Solvency Excess/ (Deficiency)(A	(32,982,504)	1,060,876
Solvency Ratio (A/B)	0.83	1.01

As outlined in the tablebove, the Staff Pension Plan would have had a solvency deficit of \$32.98 million if the plan were wound up at December 31, 2010.

Section 35.1 of the Regulation permits a defined benefit plan to fund solvency deficiencies with a letter of credit, which the University has obtained. Therefore, contribution rates were not affected by the solvency deficiency noted above. All costs associated with the letter of credit (interest and fees) are the responsibility of the University. In 2016 costs totaled \$02,296.

As well as carrying costs for the letter of credit, the University as employer also incurs costs when terminated plan members request a lumpum (commuted value) payment from the plan. To summarize, the Regulation requires that when a letter of crediis used to fund solvency deficiencies, the employer must make a contribution into the plan of an amount that is equal to any transfer deficiency that exists (equal to 100% - 83% = 17%). For example, if the amount of a commuted value payment to a member is \$10,000, the employer must contribute \$1,700 into the plan to cover this deficiency.2013the employer contributed \$436,671for the commuted value transfer deficiency.5(\$3,136in 2012).

If a subsequent actuarial valuation reveals that there is no longer a solvency deficiency, then the requirements to fund the solvency deficiency will no longer exist.

(c) Normal retirement

All members are eligible for a retirement benefit. Normal retirement is the end of the month in which the member reaches age 65Pension benefits are calculated using the following formula:

[Benefit accrual rate] [highestconsecutive year average salary [years of credited service (full time equivalent].

The benefit accrual rates since the plan's inception in 1972 are as follows:

On average salary up to On average salary over the average YMPE the average YMPE

On service up to December 31, 198

1.65%

estate unless t	the member	has designated	another l	oenefici āh je	survivor be	nefit for a sp	ouse is eith	er an

YEAR IN REVIEW

SUMMARY OF INVESTMEROLICY

FOUR-YEAR PERFORMANCE OBJECTIVES AND ANNUALIZED DALFUND RETURNS:

Long-term objective of CPI + 3.5% Return of Benchmark Portfolio* Actual fund returns (net of all fees)

2010-2013 5.2% 7.3%

Macquarie Infrastructure.

Change in the Canadian CPI +p69%annum

6.8

9.5

SERVICE PROVIDER STATE END OF DECEMBER 2013

Investment Managers BC Investment Management Corporation manages the global equity and real

estate portion of the fund

Phillips, Hager & Northmanages the fixed income portion of the fund

Burgundy Asset Management Ltdmanages the Canadian equity portion of the

fund (effective December 2013)

Macquarie Infrastructure manages the infrastructure investment the fund

Trustee of Fund RBC Investoßervices Trustacts as the trustee of thelan assets (under the

direction of the pan) and provides payment service for pensions and Isamp-

payments

Investment Consultant Towers Watson
Performance Measurement Towers Watson
Actuary Towers Watson

Auditor <u>Grant Thornton LL</u>P

PLAN ADMINISTRATION

General enquiries or requests for statements be directed to the Pension Office aeensions@uvic.ca phone to (250) 7217030 or to:

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