

CORRELATION OF 2017 PLAN REVIEW RECOMMENDATIONS AND TRUSTEE'S DETERMINATIONS

Main recommendations (Report pages 4-5):

1. conduct a comprehensive risk assessment and stochastic modelling exercise for the Plan, as a prerequisite to considering any changes relating to benefits and eligibility, funding policy, and actuarial assumptions – **ALM Study completed; no changes to benefits and eligibility or funding policy considered necessary at this time; actuarial valuation methodology fixed by policy to be 'market'**
2. continue to find opportunities to expand the Plan membership – **ongoing**

consider devising lower cost benefit options within the Plan – **not proceeding at this time**
3. change Plan name – **deferred/TBD**
4. manage longevity risk – **considered as part of ALM Study** (expansion of Plan membership **ongoing**; consideration of specific risk-hedging actions – e.g. insurance – **not proceeding at this time**)
5. assess effect on Plan of pending amendments to CPP benefits and contribution rates – **PSSA amended to accommodate possible future CPP-related changes; Trustee is currently assessing the implications of pending CPP amendments**
6. consider adding professional directors to the Board – **not proceeding at this time**
7. consider how to effect Board representation for new entrant groups to the Plan – **not proceeding at this time**
8. 'phase in' any changes to Board composition process – **see #6 and #7**
9. provide for remuneration of directors – **included in PSSA amendments**
10. remove *Trustee Act* reference – **included in PSSA amendments**; consider adding investment expertise to Board – **see #6**; reference ESG factors in investment policies & consider ESG

factors, where appropriate, in Plan investments – **SIP&G revised to reference ESG factors; appropriate consideration of ESG factors ongoing**

11. consider effect of secondments/acting pay on pension accrual – **definition of “salary” in PSSA considered adequate**
12. clean up spent/redundant references to the ‘Minister of Finance’ and to reflect that the Minister has transferred responsibility/liability to the Trustee – **included in PSSA amendments**; consider a full re-write of the PSSP Regulations, and removal of the Plan from legislation/regulations – **change of “regulations” to “text” included in PSSA amendments, which has facilitated the replacement of the *Public Service Superannuation Plan Regulations* by a stand-alone plan text document effective April 18, 2018**

Other points raised by Independent Reviewer (Report pages 5-17):

Report page 14; block voting – not supported at this juncture

Report page 14; NSPSC as Administrator – included in PSSA amendments (ss. 25 and 45)

Report page 15; extend 5-year review period from 120 days to 6 months – included in PSSA amendments (s. 47)

Report page 15; remove no longer relevant government-involvement provisions and references – included in PSSA amendments (ss. 45-50)

Report page 15; remove COLA dates – included in PSSA amendments (s. 69 deleted – COLA for period 2011-2015)

Report page 15; remove references to “replacement Trustee”; amend role of Minister as exclusive appointor; change references to Minister as “authoritative presence” – included in PSSA amendments

Report page 16; expand the Plan outside the public sector; expand the Plan outside the jurisdiction – deferred/TBD

Report page 17; consider obtaining compliance certification annually from NSPSC – completed in context of annual Trustee assessment of NSPSC

Report page 17; consider open-ended term limits for directors – not considered at this juncture; runs contrary to recommendations to add independent, professional directors, to limit terms of retired directors, to broaden director representation, and to stagger director terms so as to achieve a balance between experience and fresh participation

Report page 17; remove Section 54 – included in PSSA amendments (s. 54 deleted)