

Pension Plan for the Employees of St. Thomas University
Policy Statement
(Approved by the Board of Governors on February 22, 2020)

Purpose of the Plan

St. Thomas University has a defined contribution pension plan to assist employees in achieving financial security in retirement. With a defined contribution pension plan there is no guarantee on the level of benefit employees will receive when they retire. The retirement benefit for each employee will be dependent upon how much money is invested through employer and employee contributions prior to retirement (contribution levels), how the money is invested, and the performance of the investments.

In determining investment options, the University will take into account that members' circumstances vary in terms of risk tolerance, time horizon, investment objectives and income goals. In recognizing this, the University will ensure that the investment portfolio of the plan has a wide range of options to accommodate the varying needs of plan members. The University will provide educational seminars and access to investment and retirement specialists on an annual basis to assist employees with making informed investment decisions. New employees will be encouraged to use the investment selection tools provided by the Pension Services Provider.

Role of the Pension Services Provider

In establishing and operating a defined contribution plan, St. Thomas University has certain responsibilities to ensure the ongoing integrity and compliance of the plan with regulatory requirements.

A Pension Services Provider is engaged to provide a full range of recordkeeping and fund management services to assist the University in meeting these responsibilities.

Role of the Board of Governors

The University's Board of Governors has fiduciary responsibility for the pension plan. The Board of Governors has designated its Investment Committee to ensure that the University's responsibilities are fulfilled. The Investment Committee may delegate tasks to employees of the University and to the various agents it has retained with respect to the pension plan. The Investment Committee has overall responsibility for monitoring the operation of the pension plan and making recommendations to the Board with regard to changes in the pension plan.

Specifically, the Investment Committee shall:

- review this policy statement and recommend amendments as necessary;
- recommend the appointment of a Pension Services Provider, with input and

recommendations from the Pension Advisory Committee (PAC), to manage and maintain Fund assets and records of Plan members;

- review the performance of the Pension Services Provider on an annual basis;
- determine the investment options to be offered under the Plan upon the recommendation from the PAC;
- receive Fund performance information on a quarterly basis;
- delegate tasks relating to the overall management of the Fund to selected employees of the University; and
- review the pension plan periodically to ensure that it continues to meet the needs of the University and its employees.

In recommending the appointment of a Pension Services Provider to the Board of Governors, the Investment Committee shall take into account the following criteria:

- Structure of the Organization - a firm's ownership and a history of recent key events with particular emphasis on changes in investment staff.
- The availability of investment options and tools for employees to make appropriate selections.
- Performance - past performance over a suitably long period while being observant about any substantial changes in personnel or style.
- Benchmark Performance - the firm's performance in relation to appropriate benchmarks adopted for various funds.
- Stability of Returns - the assessment of the firm's ability to minimize the impact of market fluctuations.
- Fees - ensuring that the firm's fees are competitive.

In reviewing the performance of the Pension Services Provider, the Investment Committee shall take into consideration the following:

- the criteria used in making the appointment;
- the availability of investment options and tools for employees to make appropriate selections;
- adherence to applicable legislation and laws governing registered pension plans; and
- quality of service and relationship with employees including the provision of education sessions on campus to Plan members.

In making decisions about investment options, the Investment Committee will consider the following criteria:

- Flexibility - the portfolio must satisfy a variety of individual preferences ranging from very low risk to aggressive with several balanced fund alternatives.
- Simplicity - the range of options should be limited for ease of selection.
- Performance - a fund option should be reviewed if performance of the fund is below the

benchmarks adopted for that fund for an extended period of time.

Role of the Pension Advisory Committee

To assist with the decision-making process, and in compliance with the *Pension Benefits Act* of the Province of New Brunswick, the Board has created a Pension Advisory Committee to advise the Investment Committee on matters related to the Plan.

The role of the PAC is to make recommendations with respect to the Plan, monitor the administration of the Plan and to promote awareness and understanding of the Plan among members.

The Committee shall be composed of six (6) voting members determined by the members of the group they represent and two (2) ex officio members. The membership is as follows:

- a) Three (3) faculty representatives designated by the full- and part-time faculty who are members of the Plan;
- b) Two (2) unionized staff representatives designated by STUSAU;
- c) One (1) non-union representative designated by the non-union staff members of the Plan;
- d) The Vice-President (Finance and Administration), ex officio; and
- e) The Director of Human Resources, ex officio.

Specifically the Committee shall:

- meet at least quarterly;
- review fund performance information on a quarterly basis;
- assess the performance of the Pension Services Provider on an annual basis against benchmarks established for each investment vehicle and mutually accepted by the Pension Services Provider and the Investment Committee;
- plan educational opportunities for Plan members;
- review the performance of the Pension Services Provider associated with the Plan;
- make recommendations to the Investment Committee with respect to the Plan;
- receive input from Plan members and recommend appropriate action as required; and
- submit an annual report to the Investment Committee on the pension plan and the activities of the PAC.

Role of the Plan Members

Specifically Plan members shall:

- access information about the nature and features of the Plan;
- assume the responsibility for making investment decisions and for understanding that those decisions will affect the amount of money that accumulates in the Plan;
- educate themselves about the Plan by attending University sponsored seminars and using

the investment and financial planning tools provided by the University and/or the Pension Services Provider;

- obtain independent investment advice from appropriately qualified individuals;
- review their statements and notify the University of any discrepancies as soon as possible; and
- review individual investment choices and investment risk tolerance on a regular basis.