



STRATEGIC BUSINESS PLAN

SUMMARY

2021-2022 to 2023-2024

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Background

The Public Employees Pension Plan (the Plan, PEPP) is a defined contribution pension plan that is maintained for eligible employees of the Province of Saskatchewan and other specified employers. It is the largest defined contribution pension plan in Canada. The provisions of the Plan are set out in legislation that is the responsibility of the Minister of Finance.

The Public Employees Pension Plan Act (the Act) establishes the Public Employees Pension Board (the Board) as the Plan Trustee. The Board has the fiduciary duty under the legislation to administer the Plan and manage the investment fund in the best interests of Plan members and their beneficiaries. The Board must exercise appropriate care, skill and diligence.

The Board has adopted a comprehensive governance process that includes regular strategic planning and risk assessment. This strategic plan has been developed within the context of the Plan's vision, mission and goals.

Vision

To be a leading pension plan through product and service innovation.

Mission

To provide members with an exceptional defined contribution pension plan.

Goals

A. Investment

Earn competitive long-term investment returns for members while managing risk.

PEPP members need their retirement savings to grow. They also need the risk of investing their retirement savings to be in-line with the return expectations they adopt when they choose an investment option.

The Board recognizes the fundamental need for members to earn competitive long-term returns to achieve their desired retirement outcomes.

Because members are responsible for their investment choices, the Board ensures that the options members can choose from are appropriate and offer something for members of varying investment preference and risk appetite.

To that end, the Board engages in a periodic review of its investment options to ensure they meet member needs. The Board approved a new investment structure and investment options in 2018; the new asset mix has been substantially implemented, though infrastructure exposures will be ongoing for a few years. The Board has also committed to conducting a periodic review every four to six years, of the asset mix as part of its oversight of member outcomes

Objectives:

- Ensure through periodic reviews of PEPP's investment options that members have access to a portfolio of investments that is well adapted to their retirement needs.
- Provide a range of investment solutions to meet the diverse needs of individual members, including controlling their individual risk.

2021-2023 Initiatives - Investment

- *Investment Review: conduct a review of the Plan's investment structure to monitor and maximize member outcomes.*

2021-22	2022-23	2023-24

B. Service

Deliver exceptional and innovative products and services to members and employers.

The Board is committed to ensuring that Plan members have access to pension services and information which meet their needs.

The Board is determined to maintain its position as an industry leader in the value-added services it offers its members. The Plan is continually exploring leading industry practices, but its primary benchmark in service delivery is the satisfaction of Plan members.

PEPP members are responsible for making important choices that play a large part in whether they achieve the retirement outcomes they desire. This means that PEPP must provide the information and services that can help members make those crucial decisions.

The best way that the Board can know whether the service it provides is meeting member needs is to ask members. The Board is committed to facilitating two-way communication with members to gather their feedback.

Objectives:

- Maintain an up-to-date suite of products and services that meet evolving member needs, that provide members with a reason to remain in the Plan, that attract voluntary contributions from members, and that attract other public-sector employers to join the Plan to maintain economies of scale.

2021-2023 Initiatives - Service

- *Decumulation strategies: develop decumulation strategies to help members manage and achieve their retirement goals.*

2021-22	2022-23	2023-24

- *Outcome Risk Monitoring: Develop a framework for the operationalization of outcome risk monitoring reports to identify strategies to improve outcome for members.*

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C. Cost-Effectiveness

Operate efficiently and cost-effectively.

PEPP members participate in a pension plan that provides excellent value through economies of scale. It is crucial to ensure that members receive the full benefit of this value.

Efficiency of service minimizes costs and maximizes value for Plan members.

Objectives:

- Allocate resources to maximize effectiveness and efficiency of services provided to Plan members and employers.

2021-2023 Initiatives – Cost-Effectiveness

- *Asset Retention: develop strategies to retain assets in the Plan in the best interest of members.*

2021-22	2022-23	2023-24

D. Stewardship

Ensure PEPP is well-governed and accountable to Plan members and employers.

The Board recognizes that good governance is crucial to the long-term success of the Plan. Good governance requires appropriate control mechanisms that encourage good decision-making, proper and timely execution, and regular review and assessment. The Board strives to be an industry leader in its pension plan governance practices.

The Board believes that good governance requires a strong focus on accountability, the basis of which is the establishment of measurable objectives, the monitoring of progress against these objectives, and the communication of the results to Plan stakeholders.

Several ongoing initiatives have been implemented in this area, including:

- Periodic benchmarking of the Board's governance practices against the governance practices of other pension governing bodies through benchmarking surveys and audits; and
- The establishment of service standards for the Plan administrator and the annual third-party audit of the administrator's reports with respect to those standards.

Objectives:

- Implementing an appropriate plan governance structure to improve performance and efficiency.
- The Board demonstrates that it governs the Plan responsibly.
- The Board provides appropriate oversight of service providers.

2021-2023 Initiatives - Stewardship

- *Administrative Structure: good governance includes periodic reviews of current structures, which includes exploration of efficiencies in governance.*

2021-22	2022-23	2023-24

E. Engagement

Ensure members understand their responsibilities and have the right tools and information available.

PEPP members are responsible for making decisions while they participate in the Plan. Members may not understand this responsibility, and may be unaware of the ways in which PEPP can help them make fully informed decisions.

PEPP provides the tools and information that members need. The Board strives to ensure that members are aware of their responsibilities and ways in which PEPP can help.

The Board also makes every effort to ensure that its provision of information and services is proactive and anticipates the needs of Plan members.

Objectives:

- Support member understanding of the Plan, including individual member benefits and responsibilities for making informed decisions pursuant to the Plan.
- Increase awareness and usage of member resources.
- Provide relevant, timely and accurate information which is easy to understand.
- Provide useful information on asset retention and decumulation options so members understand the value of remaining in the Plan.

2021-2023 Initiatives - Engagement

Engagement Strategy: The engagement strategy's key aim is to improve the financial well-being of members in retirement, while managing risk and maintaining a leadership role in the pension industry. The main focus will be on increasing awareness and usage of member resources, improving the digital experience, and using more targeted tactics.

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