

**PUBLIC EMPLOYEES PENSION PLAN
CAPSA PENSION PLAN GOVERNANCE SELF-ASSESSMENT QUESTIONNAIRE**

1. Fiduciary responsibility

The plan administrator has fiduciary and other responsibilities to plan members and beneficiaries. The plan administrator may also have fiduciary and other responsibilities to other stakeholders.

- a) Have you identified your fiduciary and other responsibilities to plan members and beneficiaries (i.e., those members currently accruing a pension, those who are in receipt of a pension, and any others who may be entitled to a benefit from the plan)?

Yes

Comments/Reference/Actions

Section 1.04 of the Board's Governance Manual specifies the responsibilities The Public Employees Pension Plan Act confers on the Public Employees Pension Board (the Board).

Section 1.04 of the manual also includes a listing of the Board's generic fiduciary responsibilities:

- *Acting solely in the best interest of plan members and beneficiaries;*
- *Treating members and beneficiaries impartially;*
- *Acting with the care, skill and diligence of a prudent person;*
- *Interpreting Plan terms fairly, impartially and in good faith;*
- *Preventing personal interests from conflicting with those of the Plan; and*
- *Within the scope of its authority, ensuring that members and beneficiaries receive the benefits promised.*

Section 4 of the Board's Governance Manual, the Board's Charter of Expectations, outlines the Board's responsibilities.

Section 12 of the Board's Governance Manual outlines the Code of Conduct and Conflict of Interest Procedures the Board is to follow. This section lists the fiduciary duties that apply to the members of the Board in their capacity as

trustees of the Plan. A copy of the Code of Conduct and Conflict of Interest Procedures is signed annually by each member of the Board. The document is published on the Plan website.

b) Have you identified any responsibilities to other stakeholders?

Yes

Comments/Reference/Actions

Section 1.04 includes its responsibilities to other stakeholders:

In addition to its primary fiduciary responsibilities, the Board also bears responsibilities to the following:

- *The Minister of Finance;*
- *Participating employers;*
- *Labour unions representing members of the Plan;*
- *Groups and organizations who have appointed members to the Board;*
- *Organizations and individuals employed by the Board to provide services to the Board; and*
- *The Legislative Assembly of Saskatchewan.*

c) Do any delegates have fiduciary duties?

Yes

Comments/Reference/Actions

The Board's administration agreement with the Public Employees Benefits Agency (PEBA) binds PEBA to act strictly in the best interests of members.

If yes, has the fiduciary role been clearly identified and communicated to the delegates?

Comments/Reference/Actions

The administration agreement clearly delineates PEBA's duties.

d) Is there a clear delineation between the plan administrator and other roles?

Yes

Comments/Reference/Actions

The Administration Agreement, the Board's Policy Manual, and the Board's Governance Manual clearly delineate the roles of the Board, the Plan administrator, and other service providers.

2. Governance framework

The plan administrator should establish and document a governance framework for the administration of the plan.

a) Have you established and documented a governance framework for the administration of the pension plan?

Yes

Comments/Reference/Actions

The Plan has a mission and goals statement (section 2 of the Governance Manual). The mission statement is posted on the PEPP website and is stated in the member booklet. The booklet is provided to all new members on enrolment. The mission statement is also published in the Annual Report, which is available to all members on the Public Employees Pension Plan (PEPP) website.

The Board approved the PEPP Strategic Business Plan 2017-2018 to 2019-2020 at its meeting of June 22, 2017. Initiatives of the Plan, which now extends through 2020-2021, are underway, and the Board reviews progress three times per year. The PEPP Strategic Business Plan documents the vision, mission, goals, objectives, and initiatives of the PEPP. The Board has a Strategic Business Planning session scheduled for April 2021.

The Board receives three reports annually on the status of the PEPP Strategic Business Plan. The reports provide a review of progress toward stated objectives.

The Board receives reports on key performance indicators on a semi-annual basis to enhance performance monitoring.

3. Roles and responsibilities

The plan administrator should clearly describe and document the roles, responsibilities, and accountability of all participants in the pension plan governance process.

- a) Have you identified your roles and responsibilities, including any necessary delegation, for the effective governance of the pension plan?

Yes

Comments/Reference/Actions

Section 4 of the Governance Manual, the Charter of Expectations, identifies the roles and responsibilities of the Board and the Chairperson. Section 5 of the Governance Manual identifies the delegation of the Board's roles and responsibilities.

Section 7 of the Governance Manual clearly defines the Board's expectations of the executive management services to be provided by its administrator. The Board's policy on the selection and retention of service providers further delineates its delegation of duties to its administrator. The Board evaluates its administrator's performance of the services delegated by the Board annually.

- b) Have you clearly documented expectations for yourself and each of your delegates?

Yes

Comments/Reference/Actions

Section 4 of the Governance Manual identifies the roles and responsibilities of the Board and its administrator.

PEBA reviews all service provider contracts in accordance with the timeline outlined in the Periodic Checklist, which is received by the Board on an interim basis mid-year and is finalized at year-end.

c) Do you appropriately document decisions related to the pension plan?

Yes

Comments/Reference/Actions

Meeting materials and minutes of Board meetings provide a record of all Board decisions related to the pension plan.

4. Performance measures

The plan administrator establishes and documents performance measures to monitor the performance of participants in the governance and administration of the plan.

a) Have you established and documented clear measures for assessing the performance of all participants in the governance process?

Yes

Comments/Reference/Actions

The Board's administrator (PEBA) and investment managers are the service providers that have decision-making authority within the scope of the Board's policies and contracts which retain the service providers.

The contract between the Board and PEBA specifies performance measures.

The Board's Statement of Investment Policies and Goals (SIP&G) specifies the performance measures for the Board's investment managers.

b) Do you have a regular performance monitoring, review and remedial process for all participants in the governance process?

Yes

Comments/Reference/Actions

PEBA reviews the performance of all service providers in accordance with the timeline outlined in the Periodic Checklist, which is received by the Board on an interim basis mid-year and is finalized at year-end.

The Board's administrator, PEBA, and investment managers are the service providers that have decision-making authority within the scope of the Board's policies and contracts which retain the service providers.

The Board receives quarterly reports with respect to investment performance.

PEBA provides quarterly reports to the Board regarding PEBA's performance with respect to its administrative responsibilities for the Plan.

The Board reviews the performance of its suppliers of services on a regular basis.

The annual evaluation of the Board's auditor was completed on September 30, 2020. An evaluation of the Board's strategic investment consultant was completed on October 28, 2020. The performance of the Board's custodian was not evaluated during the year, as the transition to a new service provider was completed in July 2020. The performance of the Board's private markets consultant was not evaluated during the year, as the contract with the private markets consultant was executed in January 2020. Both new service providers will be evaluated in 2021.

The Board's Governance Manual defines the executive management services to be provided by its administrator. The Board evaluates its administrator's provision of executive management services annually.

5. Knowledge and skills

The plan administrator, directly or with delegates, has the duty to apply the knowledge and skills needed to meet the plan administrator's responsibilities.

- a) Have you established an ongoing process to identify and fill any gaps in the knowledge and skills needed for the effective governance and administration of the pension plan?

Yes

Comments/Reference/Actions

The Board has set out the attributes that Board members must, collectively and/or individually, possess (section 4.03 of the Governance Manual).

Section 10 of the Board's Governance Manual provides the orientation and ongoing developmental program for Board members. It prescribes the basic level of knowledge the Board has identified as necessary for Board members to possess, and it outlines annual requirements for ongoing training that Board members must complete.

- b) Do you, together with all delegates, have the necessary qualifications, resources, and experience?

Yes

Comments/Reference/Actions

The Board's delegation to its service providers, as well as its expectations of its service providers, is documented in its Governance Manual.

In its role as a plan administrator, the Board retains a senior executive officer, executive secretary services, and an administrator. The Board also retains legal counsel.

As a trustee, the Board retains a custodian, investment managers, a strategic investment consultant, a private markets consultant, and an auditor to assist it in carrying out its duties.

To assist in its governance of the Plan, the Board retains a senior executive officer and executive secretary services.

The Board has set out a formal education program for Board members (section 10 of the Governance Manual); individual progress is reported to Board members individually and to the Board collectively, as well as publicly in the Board's Annual Report.

The Board's administrator (PEBA) has an education plan for management and staff.

6. Governance information

The plan administrator should establish and document a process to obtain and provide to governance participants appropriate information to meet fiduciary and other responsibilities.

- a) Have you established and documented a process to obtain and provide to governance participants appropriate information to carry out your fiduciary and other responsibilities?

Yes

Comments/Reference/Actions

The contracts with the Board's service providers contain reporting requirements. The contract between the Board and PEBA contains service standards that are reported to the Board on a quarterly basis.

Section 7 of the Board's Governance Manual outlines the information to be received by the Board. The section includes the rules and procedures for receiving and acting on information and reports, and it specifies the reports to be provided by the Board's administrator, investment consultant, and investment managers.

The Board's Governance Manual specifies the type and frequency of reports to be provided to the Board.

7. Risk management

The plan administrator should establish and document a framework and ongoing processes, appropriate to the pension plan, to identify and manage the plan's risks.

- a) Have you identified, assessed and prioritized the pension plan's risks?

Yes

Comments/Reference/Actions

The Board reviewed its 2019 Risk Management Review at its meeting on March 25, 2020 and approved its Risk Management Plan for 2020 at its meeting on April 22, 2020.

The Board reviewed its risk register at its meeting of November 25, 2020 and voted on the risks to the Plan at its meeting of January 27, 2021. The Board is scheduled to receive the 2020 Risk Management Review and Risk Management Plan for 2021 at its meeting of March 24, 2021.

- b) Do you have a continuous process to monitor and manage these risks?

Yes

Comments/Reference/Actions

The Board has in place a risk management policy, which requires that the Board be presented with a risk management review report and approve a risk management plan each year.

8. Oversight and compliance

The plan administrator should establish and document appropriate processes to ensure compliance with the legislative requirements and pension plan documents.

- a) Have you identified the legislative requirements, plan documents and any regulatory or plan-specific policies that apply to the pension plan?

Yes

Comments/Reference/Actions

The Periodic Checklist identifies the legislative requirements that apply to the Plan.

- b) Do you have a documented process to ensure you comply with legislative requirements and pension plan documents and policies?

Yes

Comments/Reference/Actions

Under the Board's contract with PEBA, among the services to be provided by PEBA the contract states:

"PEBA shall provide all services required to operate, administer and manage the Plan in a manner consistent with and according to all statutory provisions and regulations that apply to the Plan..."

Processes for ensuring compliance with legislative requirements, Plan documents and administrative policies have not been documented. However, the Board received the 2019-2020 Final Periodic Checklist at its meeting on May 27, 2020, and the 2020-2021 Interim Periodic Checklist at its meeting on November 25, 2020. These documents indicate that efforts are undertaken to ensure compliance with legislative requirements.

If yes, does this process include a regular review to monitor changes to support future compliance?

PEBA is developing a process for administering multi-jurisdictional funds

9. Transparency and accountability

The plan administrator should establish and document a communication process with the aim to be transparent and accountable to plan members, beneficiaries and other stakeholders.

Have you established and documented a communication process that:

- a) Provides plan members, beneficiaries and other stakeholders with access to information about the pension plan as required by applicable legislation as well as any other information that you have identified as appropriate?

Yes

Comments/Reference/Actions

The Board's communication and stakeholder relations policy (section 16 of the Board's Governance Manual) describes the information that is to be provided to members. The Board's Governance Manual is published on the Plan website.

The Board's Annual Report includes information regarding its Strategic Plan, Governance framework, and Risk Management planning process. The Board also publishes the results of its Governance Self-Assessment Questionnaire on the PEPP website.

- b) Informs plan members and beneficiaries about the process for asking questions and raising concerns?

Yes.

Comments/Reference/Actions

Members are provided with means of contacting PEPP (via PEBA) with questions or concerns in every article of communication (newsletter, member statements, etc.) that is distributed to the members.

Under the contact section of the PEPP website, members are informed that PEBA will respond to all inquiries or concerns related to the administration of the Plan. If a complaint cannot be resolved through PEBA, members are told about a procedure to have concerns heard by the Public Employees Pension Board. Members are provided with a link to a document that outlines the complaint process.

- c) Communicates how important decisions are made?

The Public Employees Pension Plan Act (the Act) establishes the Board and delineates the powers of the Board, which include making decisions with respect to the interpretation of the Act and the governance of the Plan.

The Board's Governance Manual, which is available on the Plan website, lists the information to be received by the Board (section 7.12) and rules and procedures for reviewing and acting on information (section 7.13).

- d) Informs members about the risks, benefits, options and responsibilities of membership in the pension plan?

There is a Fund Fact Sheet for each PEPP investment option that describes the risks and benefits of the investment option.

The Member Booklet describes the plan provisions and the responsibilities of members.

10. Code of conduct and conflict of interest

The plan administrator establishes and documents a code of conduct, incorporating a policy to manage conflicts of interest.

- a) Do you have a code of conduct that sets out the expected behaviours for you as the plan administrator and your delegates?

Yes

Comments/Reference/Actions

Section 12 of the Board's Governance Manual outlines the Code of Conduct and Conflict of Interest Procedures the Board follows.

This section lists the fiduciary duties that apply to the members of the Board in their capacity as trustees of the Plan. A copy of the Code of Conduct and Conflict of Interest Procedures is reviewed and signed annually by each member of the Board. The document is available on the Plan website.

- b) Does your code of conduct incorporate a conflict of interest policy that identifies and addresses potential conflicts of interest that may arise in particular circumstances of your pension plan, whether actual or perceived?

Yes

Comments/Reference/Actions

As outlined in the response to question 10(a), the Board has outlined its Code of Conduct and Conflict of Interest Procedures within its Governance Manual.

All service providers are expected to provide PEBA with a signed statement affirming that they abide by a code of conduct. PEBA retains these statements on file.

- c) Do your delegates have a code of conduct that incorporates a conflict of interest policy?

Employees of the Board's administrator are required to swear or affirm an oath of office that prohibits personal benefit from the performance of official duties.

Members of PEBA's Investment Services branch are subject to an additional conflict of interest procedure.

All Plan service providers are surveyed biennially to ensure that their employees are required to adhere to a code of conduct that incorporates a conflict of interest policy.

- d) Do you have a process in place to receive appropriate disclosure of conflicts and any breaches of the code of conduct?

Members of the Board are asked to declare any conflicts of interest at each meeting.

11. Governance review

The plan administrator should establish and document a process for the regular review of the plan's governance framework and processes.

- a) Have you established and documented a process for a regular review of your pension plan's governance?

Yes

Comments/Reference/Actions

Section 12 of the Governance Manual provides for an annual review of:

- *The Board's performance;*
- *The Chair's performance; and*
- *The Plan's governance (this questionnaire).*

- b) Does your governance review process include methods to address identified governance shortfalls?

Yes

Comments/Reference/Actions

The Board is required to review the Plan's governance on an annual basis. The review will include the development of action plans for resolving inconsistencies or inadequacies in the Plan's governance.

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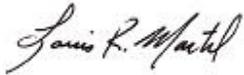
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