Katherine.Davidson

From: Allan Lucier <allanlucier@gmail.com>
Sent: Monday, April 29, 2024 9:41 PM
To: Staltari, Carmen (Toronto)
Cc: Jason.Bilsky; Katherine.Davidson; Patidar, Jesal (Vancouver); Omichinski, Jaime (Vancouver)
Subject: Re: YHC OCIO Education

Thanks so much Carmen.

I really appreciated receiving your thoughts and perspective on our delegated OCIO services.

I believe the Pension Committee will be able to dive into this matter with greater clarity - even if it is just to ask questions of itself and/or Mercer.

It was a pleasure to meet you virtually today and thanks for your time and the follow-up offer.

Sincerely,
Allan Lucier
Chair, Broad of Trustees
Yukon Hospital Corporation

Sent from my iPhone

> On Apr 29, 2024, at 6:24 PM, Staltari, Carmen (Toronto) <Carmen.Staltari@wtwco.com> wrote:
>
> Al, Jason and Kate,
>
> Great meeting you all today. I thought we had a very interesting and engaging discussion, hopefully you found it helpful. You are asking the right questions!
>
> I am attaching here a few slides I put together in advance of our discussion. Turns out we didn't need them; however, I thought I would attach them here in case you wanted to flick through at your leisure.
>
> As mentioned, happy to jump on another call to answer additional questions or dive into a different area of the OCIO market in more detail.
>
> Best,
>
> Carmen
>
> **Carmen Staltari**
> Senior Director, Investments
>
> **WTW**
> C 416 428 5590
>
>

OCIO discussion Apr 29/24

Jaime / Wesal / Carmen / Al / Jason

- Side update - Cont. Holiday

  - Need to make May contributions
  - Valuation presentation due to us May 10th
  - May 17th - approval from committee
    - Next Steps discussions
    - Recommended to board of trustees

* Up to us if we want to cease immediately or go to Oct for employees.
- valuations by 1 month incr + solvency + current serv costs.
- To the letter of text versus Principles agreed to

OCIO discussion

- fixed assets etc - paying for mgrs
- Mercer sets Benchmark
  - performing below
  - for what we are paying, is that what we should expect
  OR expect lower & lower costs

- Delivery of message a portion,
"What are you doing about it"

- Is there a way we can engage them to improve this

- Not only clients who have grappled w this - going about this right way

- looking for stability, performance of funds since inception.
  - A lot of stuff 4th Quartile

Expectations - asking right questions / right track
& - Active mgmt choice versus passive mgmt
  - To be actively over whole portfolio or not
    - Not binary decision.
  (eg: equities - right mgrs ✓
  fixed assets - maybe less active)

- Have we ever asked Mercer Active versus Passive across portfolio?
- Are we benefiting from active (eg fixed asset)

Every OCIO will have bias when making sure you are doing what is best for you w respect to strategy

- Performance shown typically gross of fees.

- Adjusted SIP but not gone back to say how SIP is being actioned (Active versus passive)

- What are beliefs / constraints / preferences etc

OCIO should be asking:
- Comfort w illiquidity
- Active / Passive
- complexity (eg hedge funds)
- sensitivity to fees.

- 12 asset classes - pretty complex for plan our size

- By moving more into private equity, can limit future choices (eg. annuity) moving 16% to 30% for private equity

- How do we help committee revector to deal w this

- when your OCIO - not really a way to hide behind numbers.

* - go back to strategic objectives, ask if they can report on those basis

- can still meet objectives & not excel benchmark

* - cost benefit of Active mgmt
  - could you have achieved the same w/ dif portfolio.
  - Its about the journey & education & sitting as co-pilots

- Expect more engagement in how we are involved.

Jesal
- OCIO providers - give them time 2016 - 8 yrs full market cycle so they've had time to show
* - george c bell report ~ 3 yrs ago
  ↳ Basics - maybe not deep enough
    ↳ limitations of exercise
- market review to see how other providers are doing

Annuity Review May 8/24

- Presentation informative
- seems like steering away from doing this
  - Appendix → impact solvency, liquidity, going concern position

- indexed plan implications

- Why annuity mkt booming - alot of plans in same position as us * Affordability

- Fairly mature plans, active shrinking, more retiring - closed plans
  DB exit strategy

  10% indexed annuities - public sector tends to be open unlike private sector.

- Short term - no economic impact
  Long Term - might miss out on significant returns.
  - Not reversable decisions.
  - Because plan is open & members are accruing

Buy in - Investment strat → mging RISK

Buyout - transfer "admin"

- Alternatives to this that still meets needs of transfer risks

- Purely economic speaking, can to same alot cheaper w/ dif
* alternatives

- Visualize ALM w/ annuity & without

- sensitivety to plan for int Rate & ec. high $

- 11% retirees
- more volitility in solvency to int Rate changes & hedging for smaller group.

- mercer could look at ALM they just did & show annuity.

Buyins - discharge not really relevant

Buyout - discharge - if Ins comp goes under - are you still responsible for liability
- Discharge protects. - member level - federal ledgislation.
* Still subject to boomerang list & cant discharge

Buy-in - increases amount of work - Third party
* another provider to work with on a monthly basis

- additional layer of fiduciary responsibily

- stronger reason to move to Epoint

- Agenda Items

- Annuity - 1hr *Invite Charbel

- Valuation Results 1hr
↳ Role for contribution Rate
↳ cash perspective

2025 - 0%
↳ employee portion for 2024
· cease immediately or until Oct

- Pension Fund Report 20mins
↳ draft dependant on what we decide at pension

From:	Tina.Escareal
To:	Allan Lucier (allanlucier@gmail.com); Becky.Nash; Fabio Banducci; Jaime Omichinski; Jason.Bilsky; Jesal Patidar; Katherine.Davidson; Kathleen.Chapman; Patrick Michael; Peter Hallett
Cc:	"bexnien@klondiker.com"; "kchapman@pipsc.ca"; "infanti@psac-afpc.com"; "selliott@pipsc.ca"; Leah.Santo
Subject:	Pension Committee Meeting
Date:	Tuesday, May 14, 2024 11:03:56 AM
Attachments:	image003.png

Good morning,

The materials for the Pension Committee meeting on Friday, May 17th, is available for your review at OnePlace.

If you are not able to access OnePlace, please let me know.

Thank you,

Tina

Tina Escareal
Executive Assistant to the Chief Privacy Officer
and Executive Director for People, Quality & Strategy
Phone: (867)393-8741
Fax: (867) 393-8707

We acknowledge, recognize, and respect that we live and work within the traditional territory of the people of Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

Katherine.Davidson

From:	Becky.Nash
Sent:	Tuesday, May 14, 2024 1:37 PM
To:	Patrick Michael (plm12@me.com); allanlucier@gmail.com; 'fabio@fabiobanducci.com'; Leah.Santo; 'leahsanto77@yahoo.com'; Jenny and Becky (bexnjen@klondiker.com); Kathleen.Chapman; Kathleen Chapman
Cc:	infantj@psac.com; Shirley Elliott-Miron; Tina.Escareal; Jason.Bilsky; Katherine.Davidson; jaime.omichinski@willistowerswatson.com; jesal.patidar@wtwco.com
Subject:	Agenda Item for Pension Meeting May 17, 2024

Hello Pension Committee,

I have an Agenda Item I would like to add for discussion at our next Pension Committee meeting on May 17, 2024. I want to give the Team a heads up so we can all ponder it ahead of time.

I would like to propose the YHC Pension Committee look at using the YHC Pension Plan surplus to fund the offering of Medical and Dental insurance coverage to retirees until they reach the age of 65, when Pharmacare in Yukon would kick in. It would be great if this could be costed out. I'm not sure if it would be a big cost, since the vast majority of our current Pension members are Group 2 members, who would generally have to work until 65 until they retire?

I look forward to our discussions on Friday!

Cheers,

Becky Nash MLT
Laboratory Information Systems Lead
Yukon Hospital Corporation, Whitehorse General Hospital
Phone: 867-393-8650
Fax: 867-393-8851
E-Mail: Becky.Nash@wgh.yk.ca

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Briefing Note C-2

Meeting:	YHC Pension Committee
Meeting Date:	May 17, 2024
Agenda Item:	**C-2 Member Contribution Rates for calendar 2025**
Purpose:	Information ☐ Discussion ☐ Decision ☒
Prepared by:	Kate Davidson, Director of Finance — **Approved by:** Jason Bilsky, CEO

ISSUE

To recommend to the YHC Board of Trustees the approval of member contribution rates for the 2025 plan year based on the Yukon Hospital Corporation Employees' Pension Plan December 31, 2023 actuarial valuation as well as selection of the date that member contributions will cease due to YHC's mandatory contribution holiday at time of actuarial valuation filing.

AUTHORITY INFORMATION

Pension Committee Terms of Reference and Governance Guide

Pension Benefits Standards Act

Yukon Hospital Corporation Employees' Pension Plan Text

BACKGROUND

Employee Contribution Rates

Member contribution rates are determined as follows:

- 50/50 principle of cost sharing between YHC and the members of the normal cost for benefit accruals. Article 6.10 within the plan text states that "Under no circumstances shall the amount of contributions made by YHC in a year be less than the total amount of the contributions made by the Members in that same year".
- The provision for non-investment expenses included in the normal cost will continue to be borne solely by the YHC
- The most recent actuarial valuation

The Pension Committee is presented at its meeting dated May 17, 2024, the actuarial valuation as at December 31, 2023 and the proposed member contribution rates to provide a recommendation for approval to the YHC Board.

ASSESSMENT

Willis Towers Watson has indicated that, assuming no changes to membership demographics, it is recommended that there be a small decrease in member contribution rates in 2025. This decrease is directly related to an increase in discount rate.

The 5-year historical and proposed calendar year 2025 member rates are included in the table below:

*YMPE = year's maximum pensionable earnings

YHC Plan		
Formula	X = earnings up to the *YMPE	Y = earnings over the *YMPE
	Group 1	**Group 2**
2021	X = 7.9% Y = 9.9%	X = 6.8% Y = 8.8%
2022	X = 7.9% Y = 9.9%	X = 6.8% Y = 8.8%

2023	X = 7.6% Y = 9.6%	X = 6.5% Y = 8.5%
2024	X = 6.5% Y = 8.5%	X = 5.4% Y = 7.4%
2025	X = 6.0% Y = 8.0%	X = 4.9% Y = 6.9%

Based on Federal regulations and the Income Tax Act, employer contributions to a pension plan are restricted if:

- The going concern ratio of the plan exceeds 125%, and
- The solvency ratio exceeds 105%

Based on the current valuation, YHC's going concern ratio is 154% and solvency ratio is 108.8%. Due to the mandatory employer contribution holiday and in accordance with the pension plan document (6.10), members will also be required to have a contribution holiday for a portion of 2024 and 2025.

Employer contributions as of June 1, 2024 and Employee contributions as of DATE, 2024 will effectively be made from the plan surplus for the remainder of the 2024 plan year and continuing through the 2025 plan year.

There are three options available with regards to when the holiday will commence for members;

1. Member contributions cease in conjunction with YHC once the actuarial valuation is filed
2. Member contributions cease once contributions match YHC's contributions as of early October, 2024
3. Member contributions cease at a time in the near future (est. July 1-15, 2024) to allow proper communication and support to members

RISK MANAGEMENT

Compliance with applicable legislation

Compliance with plan text.

Communication and education to plan members on what a contribution holiday is, how it will impact their pay and source deductions.

PROPOSED RESOLUTION

for decision items – motion

That, having received, pursuant to Article 6.2 (b) of the Yukon Hospital Corporation Employees' Pension Plan Text, a recommendation from the Actuary to the Plan as to the member required contribution rates for the 2025 plan year, consistent to Article 6.10 regarding cost sharing in the Plan and based on the 2023 valuation of the Plan, the Pension Committee recommends to the YHC Board of Trustees that the Board adopt, effective January 1, 2025, the following contribution rates for Group 1 and Group 2 members of the plan.

YHC Plan		
Formula	X = earnings up to the *YMPE Y = earnings over the *YMPE	
	Group 1	**Group 2**
2025	X = 6.0% Y = 8.0%	X = 4.9% Y = 6.9%

	Furthermore, pursuant to Article 6.10 of the Yukon Hospital Employees' Pension Plan Text. The Pension Committee recommends to the YHC Board of Trustees that the Board approve DATE for member contributions to cease and commence contributions funded out of plan surplus.
APPROVAL PATH endorsements received and next steps, as applicable	Review and recommendation by Pension Committee Review and approval by YHC Board of Trustees
SUPPORTING DOCUMENTATION	C-1 Yukon Hospital Corporation Employee's Pension Plan Summary of actuarial valuation results as at December 31, 2023.

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Briefing Note F-1

Meeting:	YHC Pension Committee
Meeting Date:	May 17, 2024
Agenda Item:	**F-1 Review of Draft Pension Fund Report to Plan Members**
Purpose:	Information ☐ Discussion ☒ Decision ☐
Prepared by:	Kate Davidson, Director of Finance — **Approved by:** Jason Bilsky, CEO

ISSUE	Review of the Pension Fund Report to Plan Members
AUTHORITY INFORMATION	Pension Committee Terms of Reference and Governance Guide Pension Benefits Standards Act Yukon Hospital Corporation Employees' Pension Plan Text
BACKGROUND	Section 5.2 (l) of the Yukon Hospital Corporation Employees' Pension Plan Pension Committee Terms of Reference and Pension Governance Guidelines indicates that the Pension Committee shall: Oversee the pension-related communications to plan members and other stakeholders, including maintenance and review of the YHC Plan's annual fund report. The YHC Pension Plan Fund Report is sent to members in June of each year.
ASSESSMENT	Willis Towers Watson is presenting the 2024 Fund Report to the Pension Committee at its meeting of May 17, 2024. The Fund Report includes the following information for Plan members: • Update on the going concern and solvency valuations as at December 31, 2023 • Employee and Employer contributions required for calendar 2025 • Summary of Plan funding including YHC contributions and letter of credit • Explains requirement of mandatory contribution holiday • Information on the Plans investment fund mix Further review of the sections Your Contributions and Pension Plan need to be completed regarding the information and impact of a contribution holiday to members. Explanation that rates have been set but the contribution will be met through the plan surplus and not by YHC and plan members is important to clarify.
RISK MANAGEMENT	Further communication to plan members on how this contribution holiday impacts their payroll and source deductions is required.

PROPOSED RESOLUTION for decision items – <u>motion</u>	THAT the Pension Committee seeks consensus and approval electronically, at a later date, on further edits within the YHC Pension Plan Fund Report and recommends that it be distributed to Plan Members in June 2024.
APPROVAL PATH endorsements received and next steps, as applicable	Pension Committee will review and approve at a later date that YHC Plan's annual fund report to be distributed to Plan member in June 2024.
SUPPORTING DOCUMENTATION	F-1 Draft 2024 YHC Pension Fund Report

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Briefing Note F-2

Meeting:	YHC Pension Committee		
Meeting Date:	May 17, 2024		
Agenda Item:	**F-2 Pension Retiree Audit**		
Purpose:	Information ☒ Discussion ☐ Decision ☐		
Prepared by:	Kate Davidson, Director of Finance	**Approved by:**	Jason Bilsky, CEO

ISSUE

Update committee on administration process of Willis Towers Watson performing a retiree audit.

AUTHORITY INFORMATION

Pension Committee Terms of Reference and Governance Guide

Pension Benefits Standards Act

Yukon Hospital Corporation Employees' Pension Plan Text

BACKGROUND

As part of the ongoing work between Willis Towers Watson and YHC to improve administrative processes, an audit will be performed on retirees and beneficiaries.

A retiree audit is a full review of current payments being made through the plan to retirees and beneficiaries, ensuring accurate data/records and that no erroneous payments are being made through the plan.

Willis Towers Watson recommended the audit to ensure accurate data and payments to entitled members and appropriate survivor benefits.

YHC has never performed a retiree audit and has approximately 210 retirees and beneficiaries.

ASSESSMENT

The audit is estimated to take around 5-6 months and will review all active retirees and beneficiaries as at December 31, 2023. The following action items are presented as the scope of work required for the audit:

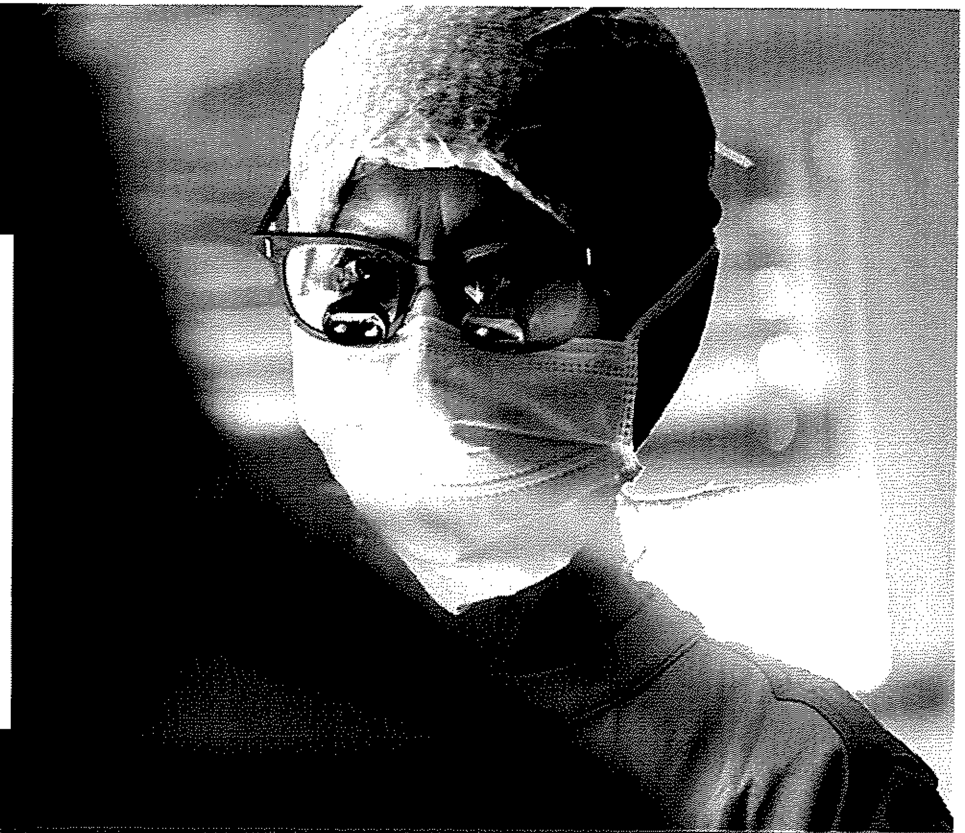
Action Items	Steps	Timing
Planning/ Communication	WTW to work with YHC on drafting letters/forms/ Q&A that will be mailed	May 2024
Mailing	Approved audit documents to be sent out with annual pension statement and letter. A second reminder will be mailed 8 weeks after initial mailing	June to August 2024
Reconciliation process	WTW to gather returned retiree/beneficiary responses.	July to September 2024
Database updates	WTW to update database with information received	September 2024

	<table><tr><td>Summary of Results and follow up exercise</td><td>Summary of results provided to YHC Discussion of next steps</td><td>October 2024</td></tr></table> No retiree/beneficiary will have payments modified or terminated without consultation with YHC.
RISK MANAGEMENT	Provide Willis Towers Watson's action plan to Payroll and Pension Plan Administrators to assist members when they call YHC to confirm this process was authorized by YHC. YHC will review with Willis Towers Watson prior to any termination of benefits occurs.
PROPOSED RESOLUTION for decision items – motion	None
APPROVAL PATH endorsements received and next steps, as applicable	None
SUPPORTING DOCUMENTATION	None

Yukon Hospital Corporation Employee's Pension Plan

Summary of actuarial valuation results as at December 31, 2023

May 2024



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Today's discussion

Overview of actuarial valuation

Membership information

Asset information

Funded positions

Funding requirements

Valuation timing and fundamentals of funding

Actuarial valuation of the registered portion of the plan must be filed with OSFI at least once every three years

- **If the solvency ratio <120%, annual filings required**

- Prior valuation: Dec. 31, 2022
- Next required filing date: Dec. 31, 2023
  - Must be filed by June 30, 2024

Valuation results determine:

- Employer contribution requirements retroactive to beginning of 2024; and
- Member contribution rates beginning 2025

Fundamentals of funding valuations:

Normal cost contributions

Cost of providing the benefits accruing in the current year

Going concern financial position

Assumes the plan will continue indefinitely

Solvency financial position

Assumes the pension plan is terminated at the valuation date and benefits settled at market prices

An actuarial valuation measures the financial position of the plan by comparing the pension plan assets to the expected future benefits and expenses payable from the plan, and is performed according to standards prescribed by legislation and the Canadian Institute of Actuaries

Key assumption changes

Pension liabilities are highly sensitive to changes in the discount rate

As at	Annuity Purchase Rate *	Commuted Value Rate First 10 years	Commuted Value Rate Thereafter	Approximate Effective Single Discount Rate	Average Change since December 31, 2022
Dec. 31, 2022	1.00%	2.20%	2.60%	1.2%	N/A
Dec. 31, 2023	1.40%	2.70%	2.80%	1.5%	0.3%

* Discount rates are net of assumed market-based inflation

Pension liabilities react to discount rate changes **like bonds** – the ***lower*** the discount rate, the ***higher*** the obligations (and vice versa)

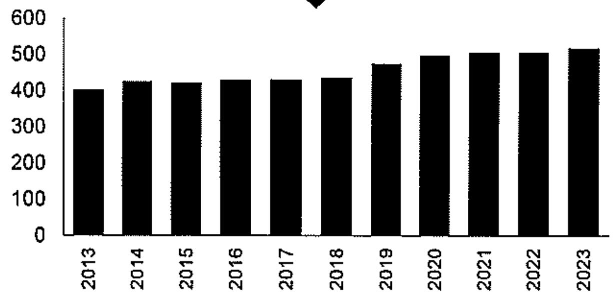
~20.3%

A 1% decrease in the assumed solvency discount rates increases the solvency liabilities by approximately 20.3% or $38.0M

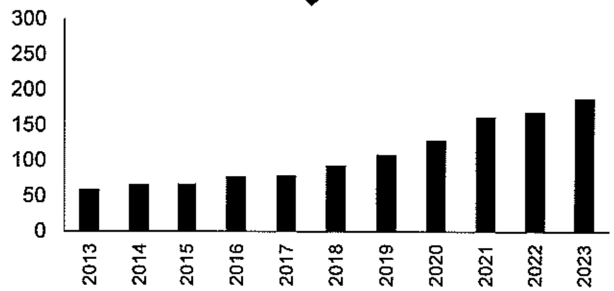
As at	Going Concern Discount Rate
Dec. 31, 2022	6.50%
Dec. 31, 2023	6.50%

Membership reconciliation

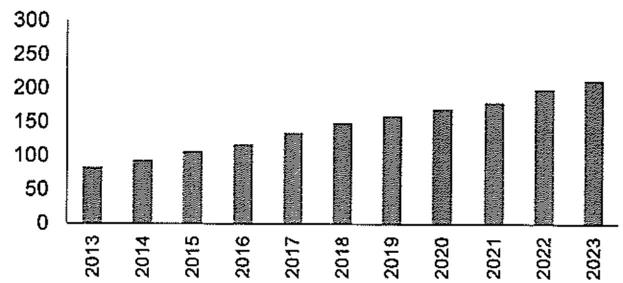
Active and Disabled Members	
As at December 31, 2022	508
New entrants and rehires	73
Terminations with lump sum settlement	(15)
Terminations with deferred pension	(35)
Retirements	(11)
As at December 31, 2023	520



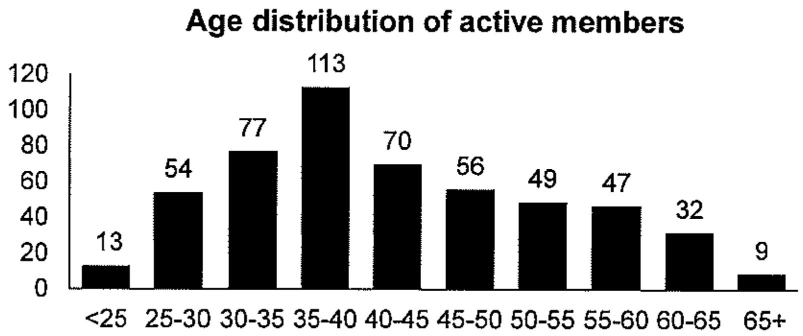
Terminated Vested Members	
As at December 31, 2022	169
Terminations with deferred pension	35
Rehires	(8)
Lump sum settlement	(7)
Retirements	(1)
As at December 31, 2023	188

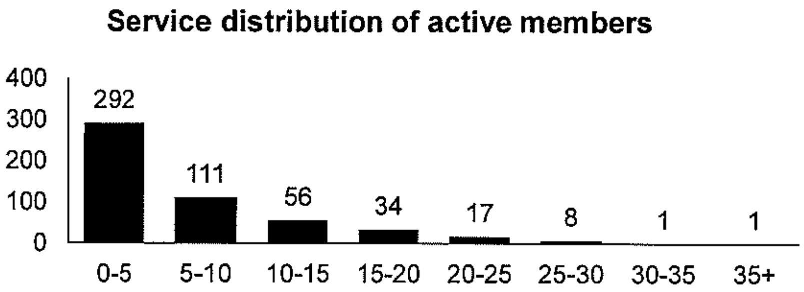


Retired Members and Beneficiaries	
As at December 31, 2022	200
New retirements	12
New beneficiaries	1
Deceased with beneficiary	1
Deceased without beneficiary	(1)
As at December 31, 2023	213



Summary of membership statistics





	Dec. 31, 2023	Dec. 31, 2022
Active and Disabled Members		
• Number	520	508
• Average age	41.5	42.2
• Average credited service years	6.4	6.3
• Average annualized pensionable earnings	$ 92,424	$ 88,556
• Average contributions with interest	$ 40,412	$ 38,850
Terminated Vested Members		
• Number	188	169
• Average age	45.5	46.0
• Average annual lifetime pension	$ 5,268	$ 5,824
• Average annual temporary pension	$ 1,235	$ 1,276
Retired Members and Beneficiaries		
• Number	213	200
• Average age	69.8	69.5
• Average annual lifetime benefit	$ 20,714	$ 19,603
• Average annual temporary pension	$ 1,657	$ 1,348

Market value of assets

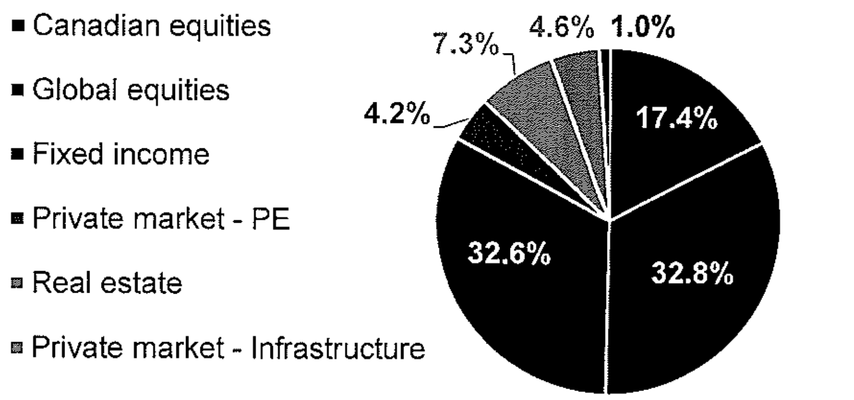
Accrued basis

	2023
As at December 31, 2022	**$ 167,705**
Employee contributions	2,660
Employer contributions	
• Normal cost	2,614
• Non-investment expenses	316
• Payments towards deficit	3,233
Benefit payments	
• Pension payments	(4,517)
• Lump sum settlements	(1,369)
Non-investment expenses	(249)
Investment income, net of all expenses	13,872
As at December 31, 2023	**$ 184,265**
Rate of return, net of investment expenses	**8.21%**

Asset return since prior valuation

(net of investment expenses)

The actual return was above the expected return, resulting in an **asset gain**, and **improving** the funded position



Actual asset allocation at December 31, 2023

Smoothed value of assets

	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Adjusted market value as at Dec. 31, 2019	$ 147,339,289				
Net contributions for 2020	3,437,115				
Assumed investment return (5.75%)	8,569,445				
Adjusted market value as at Dec. 31, 2020	$ 159,345,849	$ 166,071,941			
Net contributions for 2021	(568,199)	(568,199)			
Assumed investment return (5.75%)	9,146,279	9,533,029			
Adjusted market value as at Dec. 31, 2021	$ 167,923,929	$ 175,036,771	$ 184,916,654		
Net contributions for 2022	(419,284)	(419,284)	(419,284)		
Assumed investment return (5.75%)	9,643,740	10,052,728	10,620,822		
Adjusted market value as at Dec. 31, 2022	$ 177,148,386	$ 184,670,215	$ 195,118,192	$ 167,540,297	
Net contributions for 2023	2,692,506	2,692,506	2,692,506	2,692,506	
Assumed investment return (6.50%)	11,600,774	12,089,693	12,768,811	10,976,249	
Adjusted market value as at Dec. 31, 2023	$ 191,441,666	$ 199,452,414	$ 210,579,509	$ 181,209,050	$ 184,103,841
Average of the adjusted market values as at December 31, 2023					$ 193,357,296
Outstanding amounts					161,354
Market-related value of assets, prior to application of the corridor					$ 193,518,650
"Corridor" maximum value (110% of market value and then adjusted for outstanding amounts)					$ 202,675,579
"Corridor" minimum value (90% of market value and then adjusted for outstanding amounts)					$ 165,854,811
Smoothed value of assets as at December 31, 2023					**$ 193,518,650**

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Smoothed value of assets

(in 000's)	December 31, 2023	December 31, 2022
Market value of assets (accrued)	$ 184,265	$ 167,705
Smoothed value of assets	$ 193,519	$ 177,724
Ratio of smoothed value to market value	1.050	1.060
Amount included (excluded) in assets due to asset smoothing	$ 9,254	$ 10,019

Comment:

- The rate of return on the smoothed value of assets was approximately 7.32% per annum.

Going concern valuation

Financial position

(in 000's)	December 31, 2023	December 31, 2022
Smoothed value of assets	$ 193,519	$ 177,724
Actuarial liabilities		
• Group 1 active and disabled members	$ 44,185	$ 41,497
• Group 2 active and disabled members	9,210	6,967
• Retired members and beneficiaries	61,259	54,285
• Terminated vested members	11,009	11,730
• Total	$ 125,663	$ 114,479
Going concern surplus (deficit)	**$ 67,856**	**$ 63,245**
Funded ratio	**154.0%**	**155.2%**

Going concern valuation

Reconciliation of financial position

	Dollars (in 000's)	Funded Ratio
As at December 31, 2022	**$ 63,245**	**155.2 %**
Contributions towards solvency deficit	3,233	2.7 %
Expected interest on surplus (deficit) and contributions	4,216	(0.1)%
Investment gains (losses)	1,467	1.2 %
Non-investment expense gains (losses)	69	0.0 %
Change in assumed lump sum discount rates	162	0.2 %
Membership experience:		
• Retirement gains (losses)	37	0.0 %
• Withdrawal gains (losses)	(12)	0.0 %
• Mortality gains (losses)	(359)	(0.5)%
• Salary gains (losses) including retroactive adjustments	(3,123)	(3.9)%
• Indexation gains (losses)	(1,284)	(1.7)%
• YMPE and ITA limit experience gains (losses)	23	0.0 %
• Other liability gains (losses)	182	0.9 %
As at December 31, 2023	**$ 67,856**	**154.0 %**

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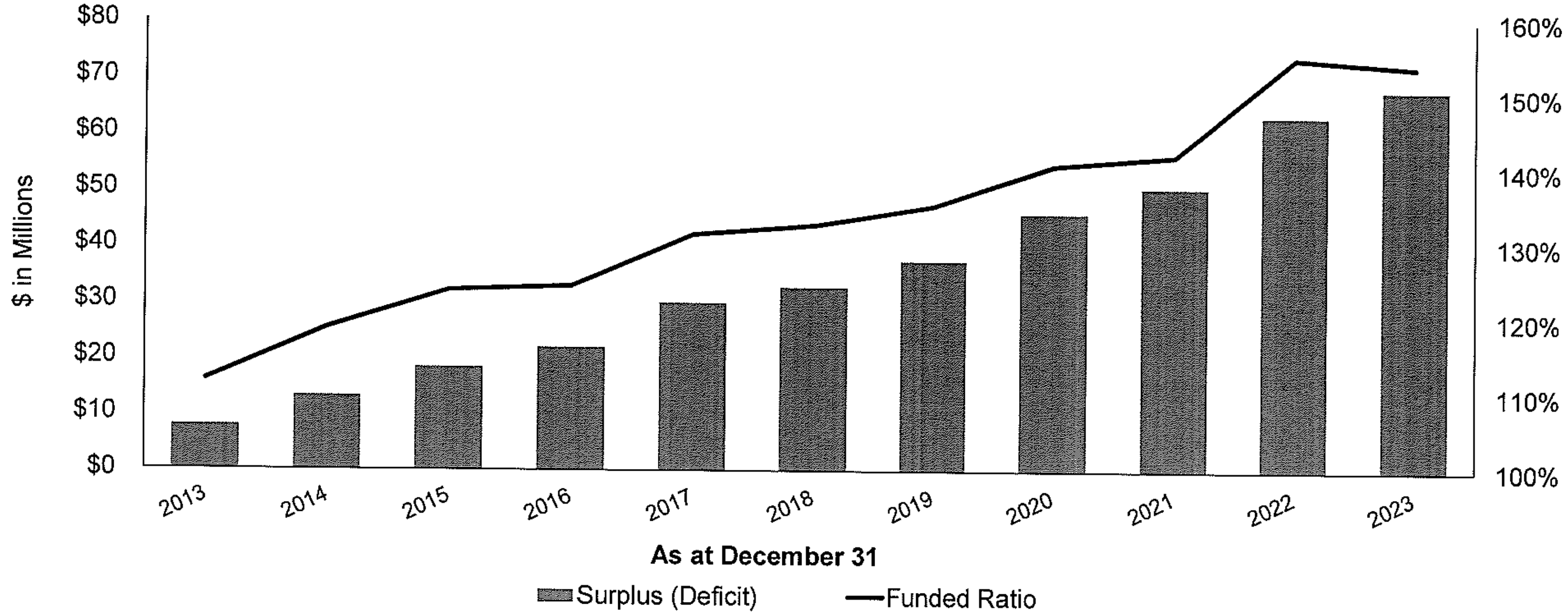
Going concern valuation

Historical financial position



Solvency valuation

Financial position

(in 000's)	December 31, 2023	December 31, 2022
Solvency value of assets		
• Market value of assets	$ 184,265	$ 167,705
• Face amount of letter of credit [1]	19,450	27,991
• Provision for windup expenses	(400)	(300)
• Total	$ 203,315	$ 195,396
Solvency liabilities		
• Group 1 active and disabled members	$ 70,185	$ 74,898
• Group 2 active and disabled members	12,159	10,747
• Retired members and beneficiaries	86,077	80,354
• Terminated vested members	18,403	20,612
• Total	$ 186,824	$ 186,611
Solvency surplus (deficit)	**$ 16,491**	**$ 8,785**
Solvency ratio	**108.8%**	**104.7%**

Note:

1 Letter of credit reduced by the maximum amount permissible

wtw

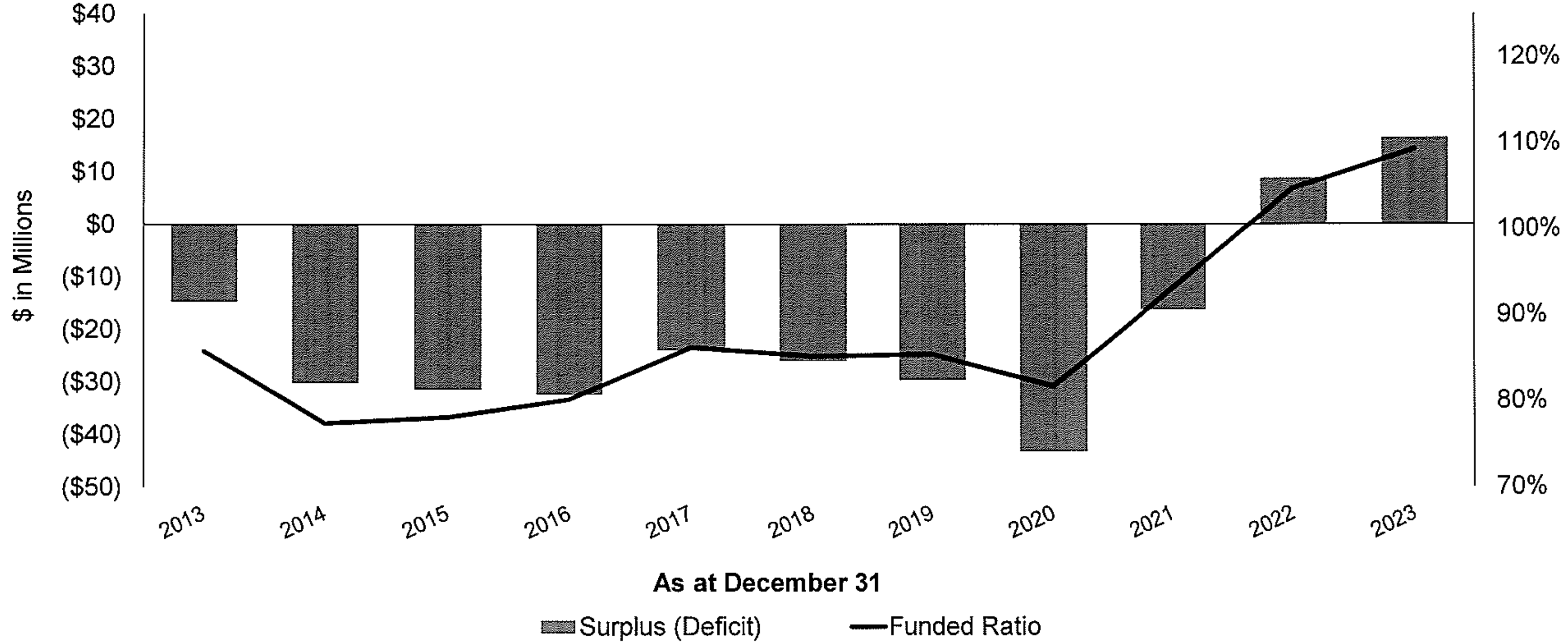
Solvency valuation

Reconciliation of financial position

	Dollars (in 000's)	Solvency Ratio
As at December 31, 2022	**$ 8,785**	**104.7 %**
Contributions towards solvency deficit	3,233	1.7 %
Expected interest on solvency surplus (deficit) and contributions	493	0.3 %
Benefit payments	0	0.0 %
Decrease in amount of letter of credit secured	(8,542)	(4.6) %
Investment gains (losses) on invested assets	5,856	3.1 %
Investment gains (losses) on letter of credit	(1,330)	(0.7) %
Non-investment expense gains (losses)	68	0.0 %
Excess of solvency benefit accruals over normal cost	(874)	(0.5) %
Indexation gains (losses)	(1,954)	(1.0) %
Retroactive salary increases	(2,088)	(1.1) %
Changes to assumed liability discount rates	12,589	6.7 %
Other liability gains (losses)	255	0.1 %
As at December 31, 2023	**$ 16,491**	**108.8 %**

Solvency valuation

Historical financial position



Minimum funding requirements

Normal Cost

Cost of providing the additional pension earned by all active members in the current year

- Shared equally between employer and members

Provision for administrative expenses

+

Amortization of Going Concern Deficits

Going concern deficit amortized over 15 years

- Schedules established at previous valuation dates are maintained

+

Amortization of Solvency Deficits

Based on a 3-year average solvency ratio

- Solvency deficit amortized over 5 years ("fresh start" each year)
- Net of going concern amortization payments

Forced employer contribution holiday

- Based on Federal regulations and the Income Tax Act (ITA), employer contributions to a pension plan are restricted if:
  - the going concern ratio of the plan exceeds 125%; and
  - the solvency ratio exceeds 105%

Contributions

Normal actuarial cost

(in 000's)	2024	2023
Total normal actuarial cost		
• In respect of Group 1 benefit accruals	$ 2,681	$ 2,646
• In respect of Group 2 benefit accruals	2,652	2,253
• Provision for non-investment expenses	403 [1]	358
• Total	$ 5,736	$ 5,257
Estimated employee contributions	$ 2,666 [2]	$ 2,450
Estimated employer contributions	$ 3,069 [2]	$ 2,808
Ratio of employer to employee contributions	1.15	1.15
Cost sharing (excluding provision for non-investment expenses)		
• Employee	50%	50%
• Employer	50%	50%

Note:

1 Based on estimated 2024 payroll of $44,792,990, reflecting the proportion of year worked assumption

2 Contribution requirements prior to application of contribution holiday

Contributions

2025 Member Contribution Rates

- Member contribution rates are determined as follows:
  - 50/50 cost sharing between the YHC and the members of the normal cost for benefit accruals
    - The provision for on-investment expenses included in the normal cost will continue to be borne solely by the YHC
  - The most recent actuarial valuation
- Accordingly, the 2025 member contribution rates are to be determined based on the results of the December 31, 2023 valuation

	Group 1		Group 2	
	2024	2025	2024	2025
Up to YMPE	6.5%	6.0%	5.4%	4.9%
Above YMPE	8.5%	8.0%	7.4%	6.9%

- In comparison, the 2024 member contribution rates for the Federal PSSA are 9.35%/12.25% for Group 1 members and 7.94%/11.54% for Group 2 members

Due to the mandatory employer contribution holiday and in accordance with the plan document, employee contribution requirements for a portion of 2024 and for 2025 will be funded from the plan's surplus

3-year average solvency ratio

The minimum solvency contribution requirement is based on a **3-year average solvency ratio**, which is calculated as follows:

[**Current year ratio** + **Adjusted prior year ratio** + **Adjusted second prior year ratio**] ÷3

The solvency ratio at the current valuation date (not the average) is used for all other purposes, including disclosure on the annual member statements

Certain prescribed adjustments are made to the prior two years' solvency ratios used in the average:

- Special payments made between the applicable prior valuation date and the current valuation date
- Contribution holidays taken between the applicable prior valuation date and the current valuation date
- The change in the face value of any letter(s) of credit between the applicable prior valuation date and the current valuation date
- Asset/liability transfers into the plan
- The effects of any plan amendments made between a prior valuation date and the current valuation date

Applicable to the YHC Plan

Adjusted solvency ratios

Letter of Credit reduced to the maximum extent permitted (i.e., maintaining a 3-year solvency ratio above 100%)

(in 000's)	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Solvency ratio at valuation date	0.931	1.047	1.088
Solvency value of assets [1]	$ 184,612	$ 167,405	$ 183,865
Letter of credit at valuation date	33,810	27,992	19,450
Change in face amount of letter of credit(s)	(14,360)	(8,542)	N/A
Present value of solvency amortization payments (contribution holidays) since valuation date [2]			
• Contributions remitted in 2022	3,095	N/A	N/A
• Contributions remitted in 2023	2,977	3,041	N/A
Adjusted solvency value of assets	$ 210,134	$ 189,896	$ 203,315
Solvency liabilities	234,716	186,611	186,824
Adjusted solvency surplus (deficit)	$ (24,582)	$ 3,285	$ 16,491
Adjusted solvency ratio	**0.895**	**1.018**	**1.088**

3-year average solvency ratio = 100%

Notes:

1 Market value of assets less windup expenses of $200,000 in 2021, $300,000 in 2022, and $400,000 in 2023

2 Determined at the weighted-average liability discount rate at December 31, 2021 of 3.02% and at December 31, 2022 at 4.75%.

2024 Funding requirements

Solvency amortization amount

(in 000's)	2023 Solvency Amortization Amount
Adjusted solvency ratios:	
• December 31, 2021	0.895
• December 31, 2022	1.018
• December 31, 2023	1.088
3-year average solvency ratio	1.000
Solvency liability	$ 186,824
Solvency deficiency = (1 – 1) x $186,824	$ 0
	÷ 5
Annual solvency special payment	**$ 0**

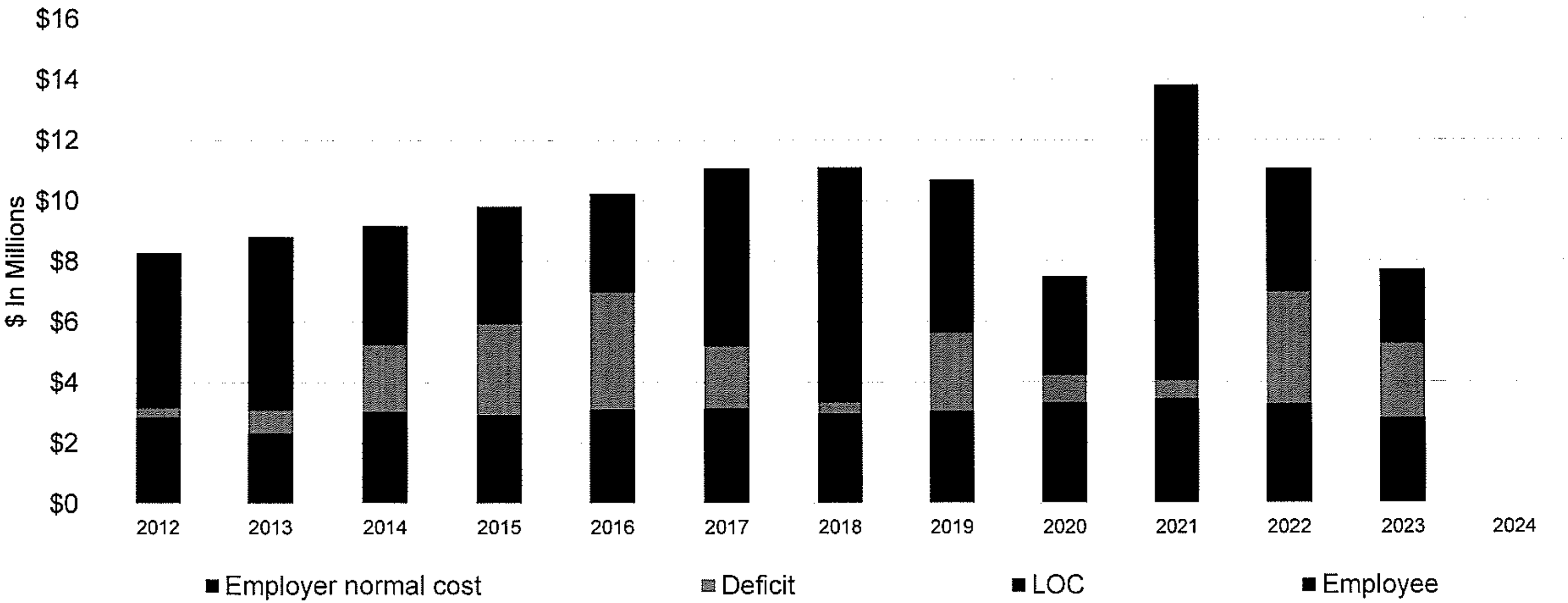
2024 Funding requirements

(in 000's)	Calendar Year 2024
Minimum requirement	
• Normal actuarial cost	$ 0
• Solvency special payments	0
• Increase to face amount of letter of credit	0
• Total	$ 0
Face amount of letter of credit	
• Maximum solvency deficit permitted to be secured by a Letter of Credit [1]	$ 19,257
• Face amount as at December 31, 2023	19,257

Notes:

[1] Letter of credit reduced to the maximum amount permissible to retain an average solvency ratio of 100% as at the valuation date

Historical contributions in dollars



Appendices

Actuarial certification

The results presented in this presentation are based on the membership data and assumptions included in this presentation and based on the methods, plan provisions and other information outlined in the actuarial valuation report to determine funding requirements as at December 31, 2023, which will be delivered within the next two months. Therefore, such information, and the reliances and limitations of the valuation report and their use, should be considered part of this presentation.

The information provided in this presentation has been prepared solely for the benefit of the Yukon Hospital Plan for its internal use in connection with the actuarial valuations of the plan prepared by WTW. This presentation should not be used for other purposes and we accept no responsibility for any such use. It should not be shared with or relied upon by any other person without WTW's prior written consent.

In our opinion, for the purposes of this presentation, the data are sufficient and reliable, the assumptions are appropriate and the methods employed in the valuation are appropriate. This presentation has been prepared, and our opinion has been given, in accordance with:

- The funding and solvency standards prescribed by the Pension Benefits Standards Act (Federal) and Regulation thereto;
- The requirements of the Income Tax Act (Canada) and Regulation thereto; and
- Accepted actuarial practice in Canada, except that this presentation has been appropriately abbreviated.

Jesal Patidar, FCIA **Caleb Tarzwell, FCIA**

Actuarial assumptions

Economic Assumptions (per annum)	Going Concern	Solvency
Discount rate and return on plan assets	• Commuted value settlement in 3 years following valuation date: 2.7% for 10 years, 2.8% thereafter [1] • Commuted value settlement after the 3-year period following the valuation date: 2.4% [1] • Otherwise: 6.50%	• Commuted value: 2.7% for 10 years, 2.8% thereafter [1] • Immediate and deferred annuities: 1.4% [2]
Rate of salary increases	• Management: 4.5% in 2024 and 2.5% thereafter • PIPSC and PSAC: 3.0% in 2024 and 2.5% thereafter, plus provisions under collective agreement and a 9% increase in 2024 for RNs and LPNs.	Not applicable
Inflation/indexation of pensions in payment	2.0%	Implicit in discount rate assumption
Escalation of ITA maximum pension	2.5%	Not applicable
Escalation of ITA maximum pension	2.5%	$3,610.00 in 2024 increasing by 2.75% per year for 10 years and 2.65% per year thereafter [3]

Notes:

1 2.2% per year for 10 years, 2.6% per year thereafter and 2.4% long-term at prior valuation

2 1.0% per year at prior valuation

3 $3,506.67 in 2023 increasing by 2.86% per year for 10 years and 2.85% per year thereafter

Actuarial assumptions

Demographic Assumptions	Going Concern	Solvency
Retirement	Age-related rates	Immediate termination of employment, pension commences at age that produces the highest value [1]
Withdrawal	Service-related rates	Not applicable
Mortality	• Commuted value settlement: 100% of 2014 Canadian Pensioners' Mortality (CPM) Table projected generationally using CPM Improvement Scale B • Otherwise: 105% of 2014 CPM Table projected generationally using CPM Improvement Scale B	100% of 2014 CPM Table projected generationally using CPM Improvement Scale B

Note:

1 Revised actuarial standards of practice in Canada, effective December 1, 2020, require that commuted values (CV) are calculated assuming 50% commencement at the age that produces the highest value ("optimal age") and 50% at the first age upon which the member is eligible for an unreduced pension. At the valuation date, it was determined that the impact of this assumption would be immaterial when compared to the assumption of 100% commencement at the optimal age

Actuarial assumptions

Other assumptions	Going Concern	Solvency
Proportion of year worked	• Full-time employees: 100% • Part-time employees: 75% • Casual employees: 25%	Not applicable
Percentage with eligible spouse at retirement	60%	Same
Years male spouse older than female spouse	3	Same
Settlement election on plan windup	Not applicable	• Active, disabled and terminated vested members not retirement eligible: commuted value • Otherwise: annuity purchase
Settlement election on termination of employment[1]	65% deferred pension and 35% commuted value	Not applicable
Provision for expenses	0.9% of payroll	$400,000

Pension Committee Mtg   May 17/24

Agenda adjustments:
- B2 to reg agenda
- B4 to reg agenda
- Usage of actuarial surplus

B2 Minutes adj:
#5
Becky wants clarification - #5
in reference to own training &
not training for whole
committee. Since its covered under
pension, she would being forward
her own education & get approval
- strike action item

#4
Nov 2023 minutes, Jason & Kate
were supposed to do scan &
it hasnt happened yet
* Kate -▽ to do at next mtg

B-3, Fabio moved & Becky
seconded.

Move amended: Fabio, Cathleen.

B-4: No amendment or changes

• Comment on content & principles

it requires us to maintain.

Last mtg discussion on contribution holiday. Somewhat undecided but collectively needed more information.

What transpired after interrupte this committees role & not the best information to the board.

What transpired was - one unions tentative agreement to go to ratification
- this cont. holiday arose, which isn't part of CA
- Union got word of consideration of plan text change, removed support
- short changed committee's options to learn more, forced them into a situation
- Al as chair as. board, had to make decision without support of committee & board.

- supports communications w union & leaderships.
- impacts short changed process
- It put chair in difficult position, short changed committee & board from fiducial responsibility

Trust of us as a committee &
board is based on process &
this was not

Becky 40.01 PSAC
- assumes plan is part of CA
- Part of unionized environment
- Aware of code of conduct &
aware of actions
- what union does afterwards
is not on her.

Jason
- ORG & plan sponsor disagrees
w that. Actual wording of
plan text isnt part of CA

Becky
- What happened happened
- Trust is broken
- Sorry not sorry, need to
build trust again

Cathleen
- can see where both interpretation
can happen

Jason
- what is important is functioning
of this committee

Al
- set of circumstances that are
so unique that brought to bare

Becky
Feb 2023 brought up cont holiday & talked to WTW & if we had been more proactive this wouldn't have happened

motion to approve B-4
- Cathleen, Becky

C-1 Actuarial Results

- very similar to estimates previously presented

- outcome to approve cont. Rates

- more terminated emps keeping def instead of lump sum.

- more group 2 members than group 1
  - Liability for group 1 higher than group 2.

- going concern - smooth assets over 5 yr return.

- decrease in letter of credit → will be able to reduce.

- surplus on going concern & solvency
- normal cost going down because of group 2 - younger, less service

~~Bq~~ Em 2,666
Empe 3,069

- Forced mandatory contribution holiday

Once file report, new contr. will be in affect
- efforts for communication w members
- Plans in place for coms

- Previous mtgs. minutes G 2 from March regarding the electronic vote

- Becky wants to state the union had LOU
- Decision was made outside of committee & board & LOU was made as per previous minutes
- accurately reflect scope & pervion of committee.

- Kate * Reduction of LOC

- Cont. Rates lower due to lower normal costs

- communication extremely important take home pay
  - Very clear not permanent solution
  - Still a cost, being born from surplus

  - Pension committees role

- Valuation will be filed as soon as possible

- Annual valuation requirements, cant say with certainty if

- How will buybacks be dealt with?
  - Bit tougher one, need to talk to lawyers
  - WTW will take away
  - 2 kinds of buy backs

- Coms out in advance of holiday

- we need to be clear. not just on holiday but on the element of surplus in general
  - PSAC members ask - 13/14 YRS assumption.

terminology in surplus is not the 190M
- misunderstanding of invested value & surplus

- If you were in buyback you'd pay but current is holiday.... clarification.

- could create biases of when people take elective leave etc.

- get portion of cons out as ready

Shift discussion into C-2

Split resolution in half → do the rates first

Becky & Fabio - just rates

Second half

~~furthermore~~ that ...

1. cost Rates still stand regardless of holiday

2. Surplus utilization has to be recommended to board

Becky:

- Argues that it has to be the same date

- Totally transparent one reason there is an Oct date, if to comply w/ 6.10 sponsor has already made contribution & employees would need to catch up.
- Becky pushes hard for same date

- Cathleen & Shirley are confused, assumed they had to match dates

- All options will comply w/ 6.10

- The valuations filed - solvency will treated as normal cost contributions
  - solvency will be reallocated as normal costs based on valuation filing

- Solvency made monthly → any amount made in 2024 will be converted

- Valuation retroactive, these will be considered normal costs, would match at Oct.

- If converted to normal cont.
- sense of equality here.
- Always a time lag, measurement date is Dec 31, as soon as filed all costs are retroactive, only place to apply is cost of accruals

- Recognize fact that we do want equal cost share, we have wiggle room to properly prepare coms to members.

- Next time, if there a deficit, we will need to catch up.
  , would we need to go back & collect retro from members

Becky now understands & agrees with Oct date

- Based on pay period end date Oct 5th, 2024. Member contribution
so Oct 6th starts ✳

moved: Kathleen, Fabio

- Aug mtg minutes for the board.

C-3 Pension Plan-te
G.1. 11.A- confirmed that language hadnt changed

Becky moves, Al seconds.

* foe board to flesh out details foe this change
  - Put together matrix

- Ensure communications is tied in with this as well (Q & A)

D - Mercer Section
(Peter, David, Justin, Gayle)

- general market updates

- Performance numbers numbers gross of fees

- Net foe the quarter
Fabio
* Net performance is what is important *

- Mercer to add fees along side presentation foe performance

- TO Greystone - 2 yr redemption
  - physically go sell buildings to get cash.

What should we as plan members
expect for performance
- Don't see explosive returns
- smoothing effect

- Benchmark - passive versus
active approach
- what is appropriate return
- how much tracking do we
have, will be beyond passive,
is designed to active and
above passive

Emerging market fund - working
actively on this market

- Detailed gameplan at next
mtg

What is the value proposition of
active versus passive?
· Long term impacts
· Better understand value
proposition

- Peter to spend active versus passive
(offered)

D-3 ALM study followup.

liquidity is important issue to
consider

- infrastructure / Private Equity / Private debt in the more illiquid debt

Closed / Open-Ended
→ Alot of work

Open ended is the better solution

- Next mtg, firm recommendation on dollars for allocation - Mercer

Mercer Next mtg:
- 30 mins active versus passive
- Emerging markets changes
- high level review of funds proposed
  - Action plan for approval

E-1 Annuity Education

Acronyms → always give definitions.

- trying reduces exposure of DB liabilities ✓

- trying to reduce risk, doesnt make sense.

- ALM w/ annuity considerations.

- comes w/ LT Economic cost

- Cathleen interested w̄ ALM w̄ annuity purchase.
- Becky - w̄ merkynens & not a mature plan yet

- Charbel agrees w̄ Becky right now.

- Important for committee to understand as a whole, balance w̄ mging risk & benefit security of plan.

Becky - defer for now
Fabio - still processing

Admin won't resurface it unless member brings up.

Part of strategy to have

F-1

Pg 3 - add date Oct 6th
- mention consultation
* Need to be sent out by June 30th.

- Will revise with WTW

F2 - due diligence / governence

Circle back to committee w̄ information.

Included w̄ pension stmt

Becky's item - surplus utilization for next Mtg.

Shirley's question - on camera versus off camera?

- In camera - not recording anything - Roberts orders of rules

PSSA Rates won't be available to end of June - Not until Oct

Contributions May 24/24

solvency contributions good ✓

- Totals remitted / split employee / employer

- online portal access
  - WTW doesn't have access to monthly statements

- October is fine for cont to cease

- Communication next week:
  1) Pension fund report
  2) coms plan

Payroll elections:

- Cont rates for yrs of retro
- will apply

Kick off meeting WTW

- ideal we dont touch Rates
  - Rates are lower so emps cont less - materiality

Communications Plan Jun 11

- New hires add to table. *Offer letter.
- James Infantino ask about PSSA Rates
- Initial e-memo out in June prior to stmts.
- format for Q & A
- June 30th deadline for Stmts
- Retiree letter *

*contribution planner ***
- June = zero

*Letter - reduce to amount shown *Asap

Brenda.Pilatzke-Vanier

From:	Jason.Bilsky
Sent:	Thursday, June 13, 2024 11:45 AM
To:	James.Low; Stefanie.Ralph; Tanya.Solberg
Cc:	Christie.Harper - Yukon Hospitals; Sarah.Edwards
Subject:	Pension Related Information
Attachments:	F-1 2023 Yukon Pension Fund Report.pdf

Some of the information below is confidential from the Pension Comm meeting so please don't share.
Below are some facts that may be formed into a communication:

In regards to Transparency on Surplus:

- The pension committee, established by the terms of the Plan, is composed of 2 union (PIPSC and PSAC) and 2 appointed by the Board, plus an independent Chair. It meets quarterly to oversee pension plan matters. The status of the plan funding, contributions and surplus is presented to the committee.
- A Pension Fund Report is produced annually and communicated to all members by the end of June. This year's report is in production and last year's report is attached clearly showing the funding status of the plan, particularly on page 2.
- YHC annual audited financial statements are public documents (on YHC website and tabled in the legislature) and disclosed in note 6 the funded status of the plan.
- Recent town halls with employees is reinforcing this information.

Pension Committee:

- Meeting March 13, 2024 the Pension Committee, all in attendance, were presented information from Willis Towers Watson (actuary and consultant for the committee) regarding actuarial assumptions used in the valuation process. This is annual process to be completed based on the plan year end of December 31, 2023, to be completed by June each year. At the same time they preemptively provided a projection of the valuation knowing it was likely there would be a forced contribution holiday. Under the Income Tax Act once the plan reaches a certain level of surplus the employer must legally stop contributions to the plan.
- While it's not an ITA requirement that employees also cease contributions, the YHEPP text states the employer contributions in any year will not be less than employee contributions.
- Four different options were presented to limit contribution volatility. One of those options was to amend the plan text to augment the clause requiring employer contribution in the event of a forced contribution holiday. None the options was accepted and decided upon. I was not present in that portion of the meeting but the minutes recorded and subsequently approved by all comm members, the fact the Committee discussed Funding considerations, noting that based on Federal regulations and the Income Tax Act (ITA), employer contributions to a pension plan are restricted if the going concern ratio of the plan exceeds 125%; and the solvency ratio exceeds 105%. The YHC will likely be forced to take a contribution holiday after the December 31, 2023 report is filed by June 30, 2024. The Committee was provided options regarding surplus utilization with the actuaries recommending a possible plan text amendment. After discussion, the Committee agreed to put to vote WTW's recommendation to amend the YHC Pension Plan, to allow ongoing member contributions while YHC is on a forced holiday. Administration will prepare a data sheet and distribute to members to vote on electronically. To my knowledge one union member agreed to this and one union member did not support this.
- Subsequent to this the process was halted as there was MOU established to ensure the plan text was not amended.

- The following meeting of the Pension Comm on May 17, 2024 discussed the fact the process had been circumvented and confirmed the plan text will not be amended as agreed in the MOU. Excluding the Pension Committee from fulfilling its fiduciary obligations mandated by the plan text. It was further agreed that Employee Contributions would cease temporarily as of Oct 6, 2024 while employer contribution cease June 2024. The difference in dates is due to the fact employer has already over-contributed since January 2024, and the employer/employee contributions will balance by the beginning of October. Employee and employer contributions will be funded from surplus until the plan was back with ITA limits.

Other facts that may be relevant:

- Christie to confirm but there is no obligation to disclose pension matters during the bargaining process. Pension oversight is managed through an established process with Union and YHC Board appointees. Several plan text changes have occurred since inception under this precedence.
- Would need Kate to compile but over the past 10 years YHC has contributed in excess of $XXXX above normal employee/employer contributions.

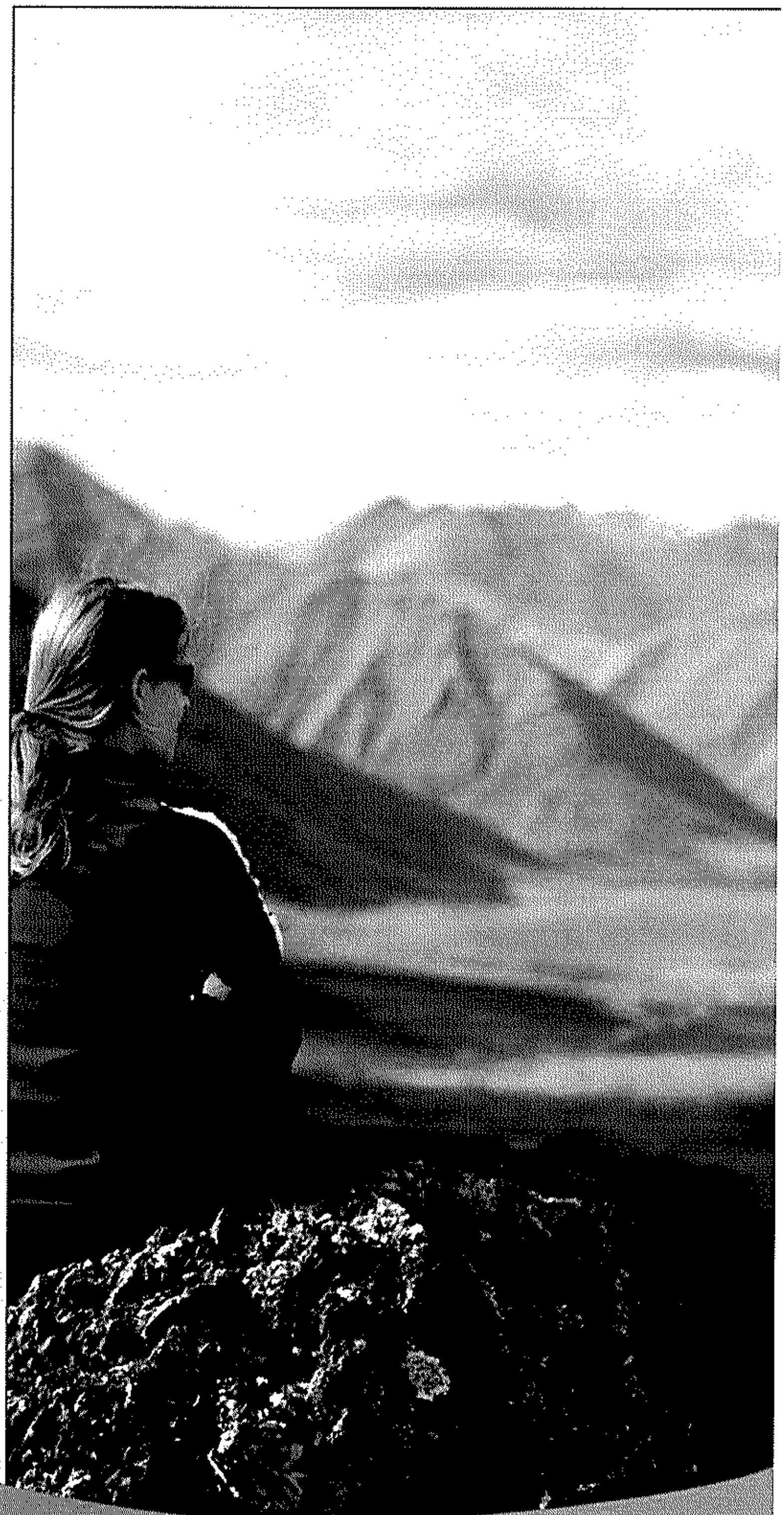
Jason Bilsky CPA,CA (he/him)
Chief Executive Officer
Phone: (867)393-8700
EA: Sarah Edwards (867)393-8732

yukon hospitals

I acknowledge and respect that I live and work within the traditional territory of the Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

Your 2023 Pension Fund Report

yukon hospital corporation



At the Yukon Hospital Corporation (YHC), we take a comprehensive approach to managing the Yukon Hospital Corporation Employees' Pension Plan (the Plan). The Pension Committee, which is made up of both employee and employer representatives, carefully manages the Plan to fulfill our commitment to you and to comply with all governance and regulatory requirements. We review the financial status of the Plan and assess its investment strategies and performance.

As part of our continuing efforts to keep you informed about your Plan, we have prepared this report to members with information about how we manage the Plan.

[redacted]

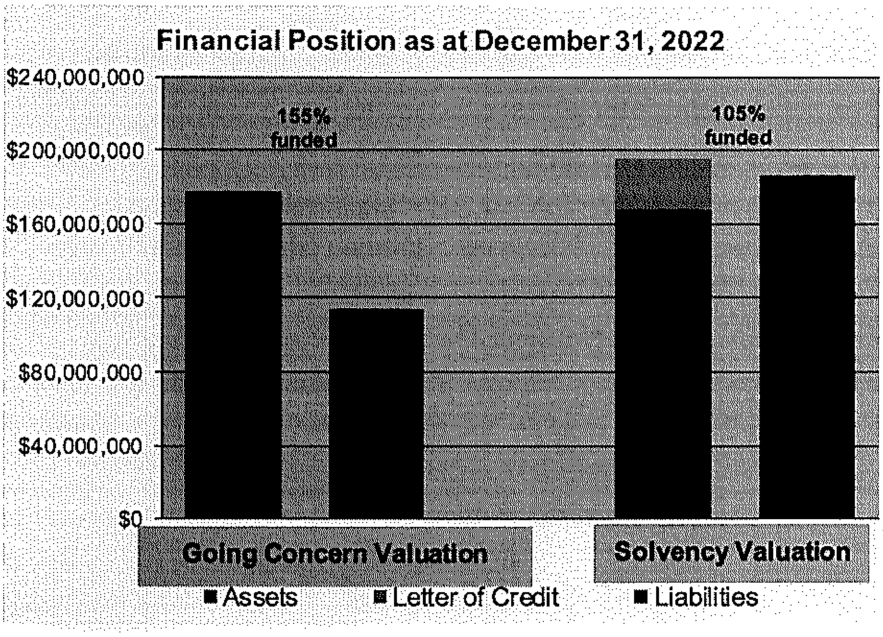
Monitoring the Plan

To make sure our Plan is in good financial health, our Plan's actuary, WTW, performs a yearly check-up, called an actuarial valuation, by comparing the Plan assets to the value of the benefits promised to Plan members. To do so, they perform two separate valuations:

- **Going concern valuation** assumes the Plan will operate indefinitely, and provides an outlook on the Plan's long-term sustainability. Assumptions take into account salary levels, investment returns, inflation, when members will retire and how long they are likely to live.
- **Solvency valuation** takes a short-term outlook, assuming the Plan is terminated at the valuation date. It calculates the benefits accumulated up to the valuation date and determines the total amount of money needed to settle current pension obligations. This valuation is based on current market interest rates — so the results are more volatile and, in a low interest rate environment, will generally result in a smaller surplus or a larger deficit than the going concern valuation. The solvency valuation is required to be prepared for all private pension plans by pension legislation. There is no intention to terminate the Plan.

2023 Plan Check-up Results

As at December 31, 2022, the Plan is in a surplus position on both going concern and solvency valuation methods. This means that the Plan has sufficient assets to provide for pensions accrued to that date.



Does the solvency position affect my pension benefits?

No. The current financial condition of the Plan will in no way affect the pension benefits you currently receive if you are a retiree under the Plan. The Plan has a surplus on the long-term outlook of the financial position and the YHC remains committed to meeting its pension promise for all current and future retirees.

[redacted]

Plan Funding

Your and the YHC's contributions are the basis of the Plan funding, in addition to the returns on assets held by the pension fund. In fact, our goal is for you and the YHC to contribute to your future retirement benefits equally – in other words, you contribute 50% and the YHC contributes 50%.

You contribute a percentage of your pensionable earnings. The percentage amount is determined each year.

The YHC contributes the balance of the cost of the benefits plus expenses to administer the Plan plus any required contributions towards Plan deficits.

Your Contributions

Because the Plan is integrated with CPP, contributions on your earnings up to the Years' Maximum Pensionable Earnings ("YMPE") are lower than on your earnings above the YMPE. Because of the differences in early retirement eligibility, Group 1 and Group 2 plan members have different contribution schedules. Member contributions schedules, as a percentage of earnings, for 2023 and 2024 are:

	Group 1 Members		Group 2 Members	
	Up to YMPE	Above YMPE	Up to YMPE	Above YMPE
2023	7.6%	9.6%	6.5%	8.5%
2024	6.5%	8.5%	5.4%	7.4%

In comparison, the 2022 member contribution rates, as a percentage of earnings, for the Federal PSSA are 9.35% up to the YMPE and 12.37% above the YMPE for Group 1 members and 7.93% up to the YMPE and 11.72% above the YMPE for Group 2 members.

Pension Plan Funding

The Federal Pension Benefits Standards Act – the legislation that oversees our Plan – recognizes that pension plans may, at times, find themselves in deficit positions as a result of a variety of factors, such as fluctuations in membership or downturns in the financial markets. These deficits may be too high for sponsors to absorb in a short time period. Legislation allows for plans to run deficits subject to the plan sponsor making up the shortfall within a period of five years. Pension legislation also allows for pension plan sponsors to secure a Letter of Credit instead of making all or a portion of the contribution required to fund the deficit.

Watch Your Pension Payments Grow

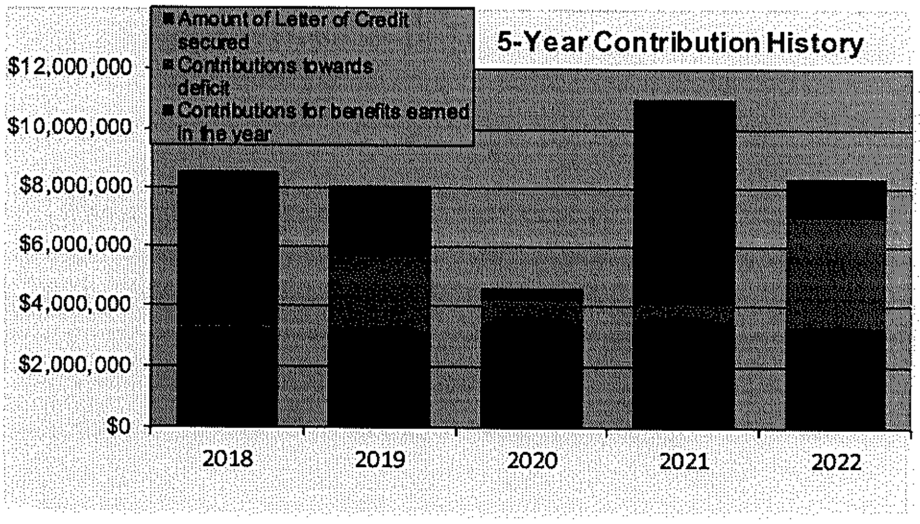
After you leave the YHC (terminate or retire), your lifetime and bridge pensions are eligible for annual indexation. That means, each January 1, your pension will increase at the rate of inflation for the lifetime of your benefit. In other words, your pension payments will grow over time and help protect the value of your money.

The rate of increase will be based on the annual increase in the Consumer Price Index (CPI) measured as at September 30. The annual indexation granted at January 1, 2023 was 6.9%.

[redacted]

YHC Contributions and Letter of Credit

In 2023, the YHC will make contributions to the pension fund of $2.8 million for pension benefits earned in the year and $2.5 million in solvency special payments. The YHC will not secure an additional Letter of Credit in 2023 towards the deficit.



Questions?

Contact the Payroll & Pension Plan Administrator:

- **(867) 393-8662**
- **Yukon.hospitals.payroll@wgh.yk.ca**

Investment Policy

The investment policy focuses on the long-term, ensuring investment returns are sufficient to meet the pension promise. It also impacts the funding requirements. For example, if the fund earns a lower investment return than anticipated, the YHC's required contributions to the fund may increase to offset the lower returns.

Fund Mix

The Plan fund is professionally invested by an independent investment manager according to specific investment policies and guidelines adopted by the YHC.

As at December 31, 2022, the pension fund is invested in a diversified asset mix, as follows:

- 17% Canadian equities
- 35% Global equities
- 31% Fixed income investments
- 16% Alternative investments (real estate, infrastructure, and private equity)
- 1% Cash and short term investments

Pension fund assets are held by RBC Investor Services, the fund custodian, and kept separate from the YHC's assets.

Brenda.Pilatzke-Vanier

From:	James.Low
Sent:	Thursday, June 13, 2024 8:02 PM
To:	Jessica.Apolloni - Yukon Hospitals
Cc:	Jason.Bilsky; Christie.Harper - Yukon Hospitals
Subject:	Pension Plan Communications
Attachments:	eCAST - YHC Statement on Misinformation about Pension Plan - June 2024.docx; YEU Pension Statement - June 2024.doc

Attached is:

- Document with eCAST sent to employees (sent June 13) and draft of public/media statement (tried to shift the POV for public – open to suggestions on how to condense or revise for clarity)
- Approved Messagebox

Suggested the public comms is posted to our website – with an intro blurb with link to full content on social media. Let me know when this is ready to go as I need to align some other timing with Christie.

Cheers,
James

Message Box

Subject: **Response to YEU Statement on YHC Pension Plan**
Date: **June 13, 2024**
Spokesperson(s): **Communications Manager / ED People Quality & Strategy**

- The Yukon Hospital Corporation and all its health system partners are committed to maintaining a positive work experience for its employees, including compensation, benefits and other supports.
- The Yukon Employees' Union has made several serious unfounded allegations about the management of the YHC's Pension Plan.
- The union's recent public statement is a misrepresentation of the facts and part of continued trend of bad faith behaviour. By spreading misinformation, YEU/PSAC has created uncertainty and undermined a pension management process, which this union has agreed to and actively participates in (since inception of the plan). Here are the facts:
    - All YHC employees are members of the pension plan – union and non-union.
    - The pension is managed through established processes, procedures and laws, including oversight by a pension committee in which YEU/PSAC is represented by a voting member and supported by external experts. The plan is in full compliance with these controls, legislation and standards.
    - The pension committee receives regular reports at each meeting and through annual audited financial statements.
    - A growing plan surplus has been reported over the past several years, and YEU/PSAC representatives have had full access to this information. These pension-related issues have also been raised at employee town halls and in other communications in an effort to maintain full transparency and address misinformation the union has been sharing for several months. All plan members also receive an annual pension report, which has clearly identified the funding and surplus status.
    - Options were brought to the pension committee related to the implications of this growing surplus in March 2024. At the time, committee members considered the alternatives, but did not make a final conclusion. Subsequently, YEU/PSAC also contravened an established process, undermining the committee's fiduciary obligation to the plan. In good faith, even though not required or warranted, YHC agreed to an MOU with the union to address its concerns.
    - All employees will participate in a contribution holiday and this holiday will not

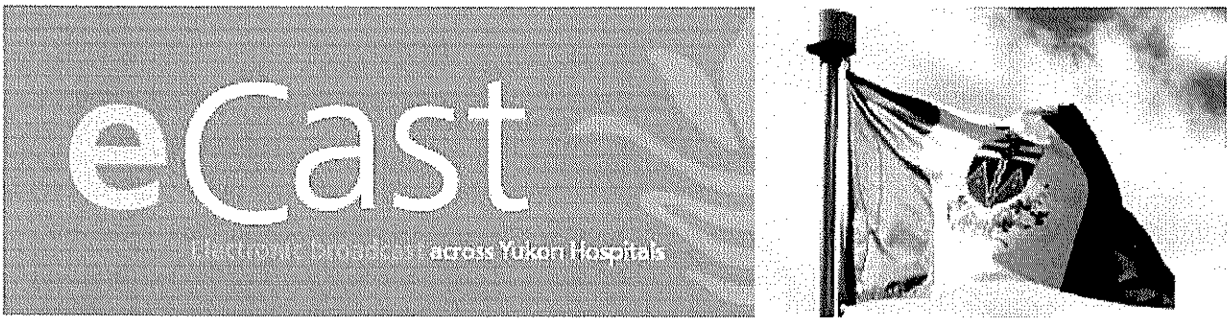
impact or change the benefit employees will receive when they retire.

- The issue YEU/PSAC has raised is not related to the health authority. In fact, employees and union partners continue to be fully engaged and consulted in addressing issues such as compensation and benefits.

Developed by: James Low, 393-8742
Approved by: Jason Bilsky, June 13, 2024

Brenda.Pilatzke-Vanier

From:	Communications-Yukon Hospital Corporation
Sent:	Thursday, June 13, 2024 4:49 PM
To:	YukonHospitalCorp-Staff
Subject:	eCAST: Addressing misinformation by YEU/PSAC about the YHC Pension Plan
Follow Up Flag:	Follow up
Flag Status:	Completed



Addressing misinformation by YEU/PSAC about the YHC Pension Plan

The Yukon Hospital Corporation (YHC) and all health system partners are committed to maintaining a positive experience for our people and teams, including excellent compensation, benefits and other supports.

However, the Yukon Employees' Union has made several serious, unfounded allegations about the management of YHC's Pension Plan. The union's recent public statement is a misrepresentation of the facts, and part of continued trend of bad faith behaviour.

By spreading misinformation, YEU/PSAC has created uncertainty and undermined a pension management process, which this union has agreed to, and actively participated in (since inception of the plan).

Here are the facts:

- All YHC employees are members of the pension plan – union and non-union.
- The pension is managed through established processes, procedures and laws, including oversight by a pension committee in which YEU/PSAC is represented by a voting member and supported by external experts. The plan is in full compliance with these controls, legislation and standards.

- The pension committee receives regular reports at each meeting and through annual audited financial statements.

- A growing plan surplus has been reported over the past several years, and YEU/PSAC representatives have had full access to this information.

- All plan members also receive an annual pension report, which clearly identified the funding and surplus status. These pension-related issues have also been raised at employee town halls and in other communications, in an effort to maintain full transparency and address misinformation the union has been sharing for the last several months.

- Options were brought to the pension committee related to the implications of this growing surplus in March 2024. At the time, committee members considered the alternatives, but did not make a final conclusion. Subsequently, YEU/PSAC also contravened an established process, undermining the committee's fiduciary obligation to the plan. In good faith, even though not required or warranted, YHC agreed to an MOU with the union to address its concerns.

- All plan members will participate in a contribution holiday and this holiday will not impact or change the benefit employees will receive when they retire.

Lastly, the issue YEU/PSAC has raised is not related to the health authority. In fact, employees and union partners continue to be fully engaged and consulted as part of this transformation in addressing issues such as compensation and benefits.

We encourage all plan members to ask questions about the pension – it is a significant and valuable benefit from your service as part of the Yukon Hospitals' team. Please reach out to the Payroll and Pension Plan Administration team to learn more at Yukon.Hospitals.Payroll@wgh.yk.ca.

Brenda.Pilatzke-Vanier

From: Kathleen.Chapman
Sent: Friday, June 14, 2024 3:33 PM
To: Tina.Escareal; Becky.Nash; Fabio Banducci; Jason.Bilsky; Patrick Michael
Cc: 'bexnjen@klondiker.com'; 'kchapman@pipsc.ca'; 'infantj@psac-afpc.com'; 'selliott@pipsc.ca'; Leah.Santo; Katherine.Davidson
Subject: RE: Pension Fund Report approval

Hello All,

I approve of the report, the only request I have is as follows:

On page 4 under the Pension Plan Funding bolded area can the stop effective date of October 6, 2024 be highlighted so that members can easily identify it please?

Otherwise I have no concerns with the report as is written.

Kathleen Chapman
President/Steward for the PIPSC group
Yukon Hospital Corporation
kchapman@pipsc.ca
(867) 335-6657

Committee Member for:
Classification Committee
Pension Committee

From: Tina.Escareal <Tina.Escareal@yukonhospitals.ca>
Sent: Friday, June 14, 2024 3:03 PM
To: Becky.Nash <Becky.Nash@yukonhospitals.ca>; Fabio Banducci <fabio@fabiobanducci.com>; Jason.Bilsky <Jason.Bilsky@yukonhospitals.ca>; Kathleen.Chapman <Kathleen.Chapman@yukonhospitals.ca>; Patrick Michael <plm12@me.com>
Cc: 'bexnjen@klondiker.com' <bexnjen@klondiker.com>; 'kchapman@pipsc.ca' <kchapman@pipsc.ca>; 'infantj@psac-afpc.com' <infantj@psac-afpc.com>; 'selliott@pipsc.ca' <selliott@pipsc.ca>; Leah.Santo <Leah.Santo@yukonhospitals.ca>; Katherine.Davidson <Katherine.Davidson@yukonhospitals.ca>
Subject: Pension Fund Report approval

Good afternoon Committee members,

Please find attached the draft Pension Fund Report. Willis Towers Watson will send the report to Plan members by June 30th once Committee approval is received.

The only pending information is on page 3 of the report. You will see a highlighted section in the chart at the bottom of the page. James, would you have the 2025 PSSA contribution rates? If the information is not available, the line will just be removed.

By way of return email, please advise if you are in approval of the Pension Fund report. **Appreciate your response by Tuesday, June 18th**.

Thank you,

Tina

Tina Escareal
Executive Assistant to the Chief Privacy Officer
and Executive Director for People, Quality & Strategy
Phone: (867)393-8741
Fax: (867) 393-8707

yukon hospitals
whitehorse
dawson city
watson lake

We acknowledge, recognize, and respect that we live and work within the traditional territory of the people of Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

Brenda.Pilatzke-Vanier

From: James Infantino <infantj@psac-afpc.com>
Sent: Tuesday, June 18, 2024 5:25 AM
To: Tina.Escareal; Becky.Nash; fabio@fabiobanducci.com; Jason.Bilsky; Kathleen.Chapman; plm12@me.com
Cc: bexnjen@klondiker.com; kchapman@pipsc.ca; selliott@pipsc.ca; Leah.Santo; Katherine.Davidson
Subject: RE: YHC Pension Fund Report approval
Attachments: 2024 Yukon Pension Fund Report.pdf

Good day Tina!

Thank-you very much for sharing this advance information!

The PSAC is now aware of the future PSSA contribution rates for 2025 to 2027.

Unfortunately, this information is confidential and, as I had mentioned at the YHC Pension Committee meeting of May 17th, 2024, will not be publicly available until October of this year.

In view of the foregoing the PSAC would suggest that an amendment be made to this portion of the Pension Fund Report.

Hope this helps!

In Solidarity,

James Infantino
Pensions and Disability Insurance Officer
Negotiations Section
Negotiations and Programs Branch
Public Service Alliance of Canada
201 - 233 Gilmour Street
Ottawa, ON K2P 0P1

Toll-free Telephone No. 1-888-604-7722 (ext. 4215)
Telephone No. (613) 560-4215
E-mail: infantj@psac-afpc.com

From: Tina.Escareal@yukonhospitals.ca <Tina.Escareal@yukonhospitals.ca>
Sent: Friday, June 14, 2024 4:03 PM
To: Becky.Nash@yukonhospitals.ca; fabio@fabiobanducci.com; Jason.Bilsky@yukonhospitals.ca; Kathleen.Chapman@yukonhospitals.ca; plm12@me.com
Cc: bexnjen@klondiker.com; kchapman@pipsc.ca; James Infantino <infantj@psac-afpc.com>; selliott@pipsc.ca; Leah.Santo@yukonhospitals.ca; Katherine.Davidson@yukonhospitals.ca
Subject: Pension Fund Report approval

Caution: This is an external email / **Attention:** Ceci est un courriel externe.

Good afternoon Committee members,

From:	Tina.Escareal
To:	Becky.Nash; Fabio Banducci; Jason.Bilsky; Kathleen.Chapman; Patrick Michael
Cc:	"bexnien@klondiker.com"; "kchapman@pipsc.ca"; "infanti@psac-afpc.com"; "selliott@pipsc.ca"; Leah.Santo; Katherine.Davidson
Subject:	Pension Committee draft minutes of the meeting of May 17, 2024
Date:	Monday, June 24, 2024 12:01:24 PM
Attachments:	image003.png

Good afternoon,

The draft minutes of the Pension Committee meeting held on May 17, 2024 has been uploaded to OnePlace for your review.

Regards,

Tina

Tina Escareal
Executive Assistant to the Chief Privacy Officer
and Executive Director for People, Quality & Strategy
Phone: (867)393-8741
Fax: (867) 393-8707

We acknowledge, recognize, and respect that we live and work within the traditional territory of the people of Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

yukon hospitals
whitehorse
dawson city
watson lake

Yukon Hospital Corporation – Board of Trustees – Pension Meeting
Meeting Minutes
Friday, May 17, 2024

Members present:

(in person)	Patrick Michael, Pension Committee Chair	
(via Zoom)	Allan Lucier, YHC Board Chair	
(via Zoom)	Fabio Banducci. Board Representative	
(in person)	Becky Nash, PSAC Representative	
(in person)	Kathleen Chapman, PIPSC Representative	

Advisors:

(via Zoom)	James Infantino, PSAC
(via Zoom)	Shirley Elliott-Miron, PIPSC

Guests:

(in person)	Peter Hallett, Mercer Inc.
(via Zoom)	Jaime Omichinski, Willis Towers Watson
(via Zoom)	Jesal Patidar, Willis Towers Watson
(in person)	Leah Santo, PSAC Alternate Representative
(via Zoom)	Gayle McDade, Mercer Inc.
(via Zoom)	Justin Feng, Mercer Inc.
(via Zoom)	Charbel Abi-Assal, WTW

Also in attendance:

(in person)	Jason Bilsky, CEO
(in person)	Katherine Davidson, Financial Analyst
(in person)	Tina Escareal, Administrative Support

A. CALL TO ORDER

The Chair called the meeting to order at 9:10 a.m.

A-1 Approval of Agenda

Proposed changes to the agenda were made:

- Becky Nash proposed to move Agenda item B-2 Minutes of the Meeting from Consent Agenda to regular agenda.
- Al Lucier proposed to move Agenda item B-4 Review of Pension Code of Conduct and Conflict of Interest Policy from Consent Agenda to regular agenda.
- Becky Nash proposed to have a discussion on actuarial surplus

MOTION:

It was moved by Becky Nash, seconded by Fabio Banducci.

Agenda was approved with changes:

- Consent Agenda items B-2 and B-4 were moved to regular discussion.
- Discussion on actuarial surplus added to agenda.

All in favor.

B. CONSENT AGENDA

B-1 Forward Agenda

B-3 Review of Document Retention Policy

The Committee reviewed Consent Agenda items B-1 and B-3.

MOTION:

It was moved by Kathleen Chapman, seconded by Fabio Banducci:

Committee approved the Consent Agenda.

All in favour.

C. GOVERNANCE

C-1 Review of Actuarial Valuation Results as of December 31, 2023

Representatives of Willis Towers Watson (WTW), presented the actuarial valuation of the Plan as at December 31, 2023.

The financial health of the Pension Fund, when assessed on a going concern basis, continues to improve with the surplus growing to $67.9M (a funded ratio of 154%). On a solvency basis the Pension Fund is in a surplus position of $16.5M (a solvency ratio of 108.8%). The Plan is now fully funded.

Based on Federal regulations and the Income Tax Act (ITA), employer contributions to a pension plan are restricted if the going concern ratio of the plan exceeds 125%; and the solvency ratio exceeds 105%. YHC is mandated to go on a contribution holiday once the actuarial valuation is filed. The duration of the contribution holiday will be determined at the next year-end valuation.

In reference to Item C-3 of the March 13 minutes, a vote to amend the Pension Plan text relative to the contribution holiday did not occur. Prior to this meeting, a chain of events led to a decision outside of the Pension Committee and the Board, not to amend the Pension Plan text, culminating in a Memorandum of Understanding between the YHC unions and the Plan sponsor.

The Committee directed administration to prepare communications to Plan members in regards to the contribution holiday. WTW is looking to file the actuarial valuation after communication to members has been released. YHC to consider using multiple mediums to reach a broader audience.

Question raised regarding how the contribution holiday will affect Plan members who are on leave (e.g. parental leave or elective leave). Point was made that if a member is in a buyback position, once contribution holiday ceases, the contributions will come from the Plan.

Action Item:

1. Prepare communications regarding the contribution holiday to include information on the Plan surplus, cost to benefit accrual, date contribution holiday will commence.
2. Obtain legal perspective to get clarity on buy back for those who are on leave.

C-2 Approve Member Contribution rates for calendar 2025

The Pension Committee was presented the actuarial valuation as at December 31, 2023 and the proposed member contribution rates for calendar 2025.

Assuming no changes to membership demographics, WTW recommended that there be a small decrease in member contribution rates in 2025. Factors influencing the determination of contribution rates included the discount rates and a younger demographical group, which allows for a longer payout period.

The Committee discussed concerns with regards to the drop in contribution rates and options to reduce volatility in the future.

MOTION 1:

It was moved by Becky Nash, seconded by Fabio Banducci.

> That, having received, pursuant to Article 6.2 (b) of the Yukon Hospital Corporation Employees' Pension Plan Text, a recommendation from the Actuary to the Plan as to the member required contribution rates for the 2025 plan year, consistent to Article 6.10 regarding cost sharing in the Plan and based on the 2023 valuation of the Plan, the Pension Committee recommends to the YHC Board of Trustees that the Board adopt, effective January 1, 2025, the following contribution rates for Group 1 and Group 2 members of the Plan.

YHC Plan		
Formula	X = earnings up to the *YMPE	Y = earnings over the *YMPE
	Group 1	**Group 2**
2025	X = 6.0% Y = 8.0%	X = 4.9% Y = 6.9%

All in favour.

Discussion on Actuarial Surplus

The Committee discussed the contribution holiday for the remaining period in 2024. WTW noted that contributions will not be permitted after the filing of actuarial valuations. Contributions that have been made will be treated as normal contributions when valuation is prepared next year.

It was proposed that the contribution holiday commence in October 2024 to allow time for messaging to Plan members.

MOTION 2:

It was moved by Kathleen Chapman, seconded by Fabio Banducci.

> Pursuant to Article 6.10 of the Yukon Hospital Employees' Pension Plan Text, the Pension Committee recommends to the YHC Board of Trustees that the Board approve effective October 6, 2024, member contributions to cease and to commence member contributions being funded out of Plan surplus.

All in favour.

C-3 **YHC Pension Plan Text Amendment**

An inconsistency in Plan Text wording and YHC practice required clarification to ensure appropriate administration of YHC Pension Plan.

The Pension Committee reviewed and discussed the proposed amendments to the Plan Text at its meetings on February 22, 2024 and March 13, 2024. During the March 13th meeting, further questions arose regarding the removal of the "Deferred Pension" definition as well as differences between the definitions of "casual" within the amended Plan Text and the collective agreements.

Administration confirmed that the "Deferred Pension" definition was restored with a change to cause it to cover pensions deferred at least one month, instead of at least one year. The definition of "casual" was also kept the same as previous amendment.

The Plan Text Amendment includes:

- Updated language relating to the clarification of full time term employment greater than 6 months.
- Updated required contribution rates to reflect rates from 2018 to 2024 inclusive.
- Restoration of the "Deferred Pension" definition with a change to cause it to cover pensions deferred at least one month, instead of at least one year.
- Kept definition of "casual" the same as previous amendment.

<u>MOTION:</u>

It was moved by Becky Nash, seconded by Al Lucier:

THAT the Pension Committee recommends that the Board of Trustees of the Yukon Hospital Corporation

1. Adopt the amended and restated Plan Text of the Yukon Hospital Corporation Employees' Pension Plan as set out in the submission made to the Committee by Lawson Lundell LLP and approved by the Pension Committee on May 17, 2024, and
2. Give such direction as necessary to ensure this amended and restated Plan Text is registered with the Office of Superintendent of Financial Institutions.

All in favour.

D. **<u>FIDUCIARY RESPONSIBILITY</u>**

D-1 **Review Pension Fund Investment Performance 2024-Q1**

Representative of Mercer Global Investments Inc. provided a performance update to the Pension Committee on MGI's handling of the Pension Fund for the 1st quarter (January 1 to March 31) of 2024.

The market value of the Pension Assets has changed over the past three quarters as follows: (1) $173,581,276 at September 2023, (2), $184,082,586 at December 2023 and (3) $193,030,745 at March 2024.

		The quarterly result at March 31, 2024 for the total fund was 4.51%, which was above the benchmark by 3.87%. At the previous meeting, the Committee requested Mercer to provide performance numbers net of fees. Mercer confirmed that the total funds for the quarter are net of fess, but not for the entire year. Under the individual strategies, numbers are gross of fees. ***Action Item:*** Mercer to add a column to include values net of fees.
	D-2	**Equity Funds Review** Mercer provided a presentation for the Committee which included Mercer's portfolio construction approach, global equity fund, low volatility equity fund and emerging markets funds. For consideration at a future meeting, the Committee would like to have a better understanding of the long term benefits of active vs. passive investment.
	D-3	**Implementation Considerations of Revised Asset Mix** During the November 28, 2023 meeting, the Committee reviewed the final results of the asset-liability study. The Committee was presented with investment options and approved a revised investment strategy represented by Mix C at the time. Mercer presented a document titled "Implementation of Revised Investment Policy" to review implementation considerations associated with the revised mix. Concerns that were raised included liquidity and Health Authority integration. Mercer recommended YHC Pension Plan top up on the current investments with an open end option and proposed to present dollar commitment recommendations at the next meeting.
E.	**EDUCATION**	
	E-1	**Annuity Purchase Considerations** Willis Towers Watson provided the Committee with an introduction to Canadian Annuity Market. The education touched on Canadian group annuity market, annuity purchase process, investment strategy and impact on solvency funded position. The Committee agreed to pause further action on annuity considerations as the territory is transitioning to a Health Authority. ***Action Item:*** Agenda item will be paused until such time Committee deems to revisit the item. Administration to look into timelines for asset liability mix options.
F.	**ADMINISTRATION**	
	F-1	**Review of draft Pension Fund Report to Plan members** Willis Towers Watson presented the 2023 Fund Report with the Pension Committee which included the following information to Plan members: • Update on the going concern and solvency valuations as at December 31, 2022

		• Employee and Employer contributions required for calendar 2024 • Summary of Plan funding including YHC contributions and letter of credit • Information on the Plans investment fund mix Suggested changes were made: • Update information on page 3, "Your Contributions" PSSA contribution rates from 2022 to 2023 • Incorporate 2025 PSSA rates No motion was carried out.
	F-2	**Pension Retiree Audit** As part of the ongoing work between Willis Towers Watson and YHC to improve administrative processes, an audit will be performed on retirees and beneficiaries to ensure that data/records are accurate and that no erroneous payments are being made through the Plan. The audit is estimated to take around 5-6 months and will review all active retirees and beneficiaries as at December 31, 2023. WTW identified administrative procedures they will be undertaking to include setting up their call center to respond to questions. **Action Items:** 1. Include retiree audit in the information that will go out to Plan members 2. Include broader discussion on how to use the surplus in the agenda for the next meeting.
	OTHER MATTERS	
	B-2	**Minutes: Pension Meeting March 13, 2024** Clarification and corrections were made to the following items in the minutes: Agenda Item A-1 #5 – Pension Education – Education information were provided as examples of education that members can pursue. Remove action item. Agenda Item A-1 #4 - Retired member on the committee – Reminder to include this for discussion. ***Action Item:*** YHC Administration to conduct an environmental scan and bring back to the Committee at the next meeting. Agenda Item B-3 – correction to the approval motion should be reversed to indicate that the Motion was moved by Fabio Banducci, seconded by Becky Nash. **MOTION:** It was moved by Fabio Bancucci, seconded by Kathleen Chapman: Committee approved the minutes of the Pension Committee meeting on March 13, 2024 as amended.

		All in favour.
	B-4	**Review of Pension Code of Conduct and Interest Policy** The Committee had a discussion around the content and principles of the Policy. It was noted that at the last Committee meeting, various options to address the contribution holiday were discussed. The Committee was undecided on the action to take but would benefit from additional information. The YHC Board Chair commented that the events that transpired after the last Pension Committee meeting did not allow for the Committee and the Board to exercise their full fiduciary responsibilities. The YHC Organization and Plan sponsor differed from PSAC's position in regards to oversight on the contribution holiday as outlined in the Plan text vis a vis the Collective Agreements. After discussion, the Committee agreed to move forward, with a reminder from the Board Chair for members to be more cognizant of their fiducial responsibilities. The Committee thereafter reviewed the Pension Code of Conduct and Conflict of Interest Policy, noting it was last reviewed on August 2023. No changes were proposed by YHC Administration. **MOTION:** It was moved by Kathleen Chapman, seconded by Fabio Banducci: Committee approved the Pension Code of Conduct and Interest Policy as presented with no changes. All in favour.
Next Meeting: August 27, 2024		
Adjournment: Motion to adjourn the meeting made by Becky Nash and seconded by Kathleen Chapman. Meeting was adjourned at 1:14 p.m.		

Epoint System June 25/24

- upgrading - current tool is spreadsheet based, grown sig over 15yrs since taking over
- Should free up time for PR staff, smoother intergration & better member experience
- Use for all pension - moving everyone to this
- Increased Transparency for clients
  - *can scope out outsourcing to TW etc.
  - *Other services that can be added
- See data exactly the way TW sees it
- Cloud based | servers in Canada.
- Every pg has audit section to track all data changes per member.
- Earnings - configurable to match our data
- access can be scoped

Tools - cases → workflow tracking
* eliminate one place
  - notice of change etc

* No more emails - comments through case on members record.

* Open worklist → currently being emailed c having mtgs!

* Attachements - all docs stored, including whatever is mailed etc

- All data that already exists would come over
  - Active - all history
  - inactive - current status
  - deferred - triggers to start

Pension YE:
- Approach w system does tend to improve validation process

- Data more frequently ...

- compliance checklist *
  - federal timelines, help turn around those timelines faster.

- lots of flexible reporting / program exports etc

- Shared tool of communication at member level / case by case level

- Histoeical member stmts

Self Service Site

- Register themselves, create own login / can also do single sign on.
  - Can be avail for def / retirees.
  - MFA

- Banner w/ messaging on homepage ↳ different based on member status.

- Projection tools. / Resources
  - Annual stmts
  - Plan info
    - Booklets
    - Q & A
  - Forms
  - Contact Info ↳ customize who is there.

- Document exchange platform
  - member gets email notification

- Profile
  - Info - read only format
    ↳ can allow them to update their info

  - Beneficiaries → link to form section - fillable PDF & send back through doc exchange

Modeling tools:

Estimate Pension - add more less parameters

- Single estimate or compare scenarios
- historical calculations.

*learn more → educates pension options.

- Printable/PDF → bring to fin adviser

Total retirement model - all sources of income

can include income out of DB
- (CPP|OAS)
- TFSA|RRSP
- Annuities etc.

* Can adjust assumptions etc.

- No limitations

- current member estimate changes
  * get amount from Jeoel

- have to pick a date, can't look at multiple dates

Epoint → echo user & go in as them & review w member
→ can see what they can see.
→ YHC can run w them & save it to member acct.

- Not app based but review on tablet.

- full payable from the plan *
  Logo towards surplus utilization

- compliance checklist - quicker w this generation.

features - turn on & off

- annual data provided
- member access ??
  - DB vs full tool
- Call centre → new questions
  - ↳ certain things
    - eg once they leave

- earnings changes due to retro
  - ↳ questions to call centre

* 6-8 weeks lead time

* 6-9 mths for product

Brenda.Pilatzke-Vanier

From: Tina.Escareal
Sent: Thursday, June 27, 2024 9:53 AM
To: Patrick Michael; Becky.Nash; Kathleen.Chapman; Fabio Banducci (fabio@fabiobanducci.com)
Cc: Jason.Bilsky; Katherine.Davidson; Becky Nash; Kathleen Chapman; Leah.Santo
Subject: re: Pension Fund Report Communication to YHC staff
Attachments: 2024 Yukon Pension Fund Report.pdf

Good morning,

For your information, a communication in regards to the Pension Fund Report was sent to all YHC staff this morning. Below is the eCast that was sent with the attached Pension Fund Report included in the communication.

Regards,
Tina

Tina Escareal
Executive Assistant to the Chief Privacy Officer
and Executive Director for People, Quality & Strategy
Phone: (867)393-8741
Fax: (867) 393-8707

We acknowledge, recognize, and respect that we live and work within the traditional territory of the people of Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

From: Tina.Escareal
Sent: Thursday, June 27, 2024 8:43 AM
To: YukonHospitalCorp-Staff <YukonHospitalcorp-Staff@wgh.yk.ca>
Subject: re: eCast: 2024 YHC Pension Fund Report

2024 YHC Pension Fund Report

Your annual pension plan fund report is on its way to your mailbox, and we've also attached it to this email for your convenience.

This report gives you an update on the health of the plan as of December 31, 2023 completed by our plan's actuaries. We're happy to share that YHC's plan continues to be in a surplus position and it's growing. This means the plan is in a healthy and secure financial position.

Rules also prevent this surplus from growing larger therefore starting October 6, 2024, your pension deductions will temporarily stop coming off your paycheck, resulting in more take-home pay. This has no impact on the benefit you will receive from the plan.

This temporary suspension of contributions will continue until the next valuation, which could mean deductions might start again as early as mid-2025. We'll keep you updated with more information over the next few months.

Your Pension Committee is very active in its oversight of the plan and more information will come in the future regarding contributions.

If you have any questions, feel free to reach out to payroll at yukon-Hospitals-payroll@yukonhospitals.ca.

yukon hospitals yukonhospitals.ca

whitehorse general hospital dawson city community hospital watson lake community hospital

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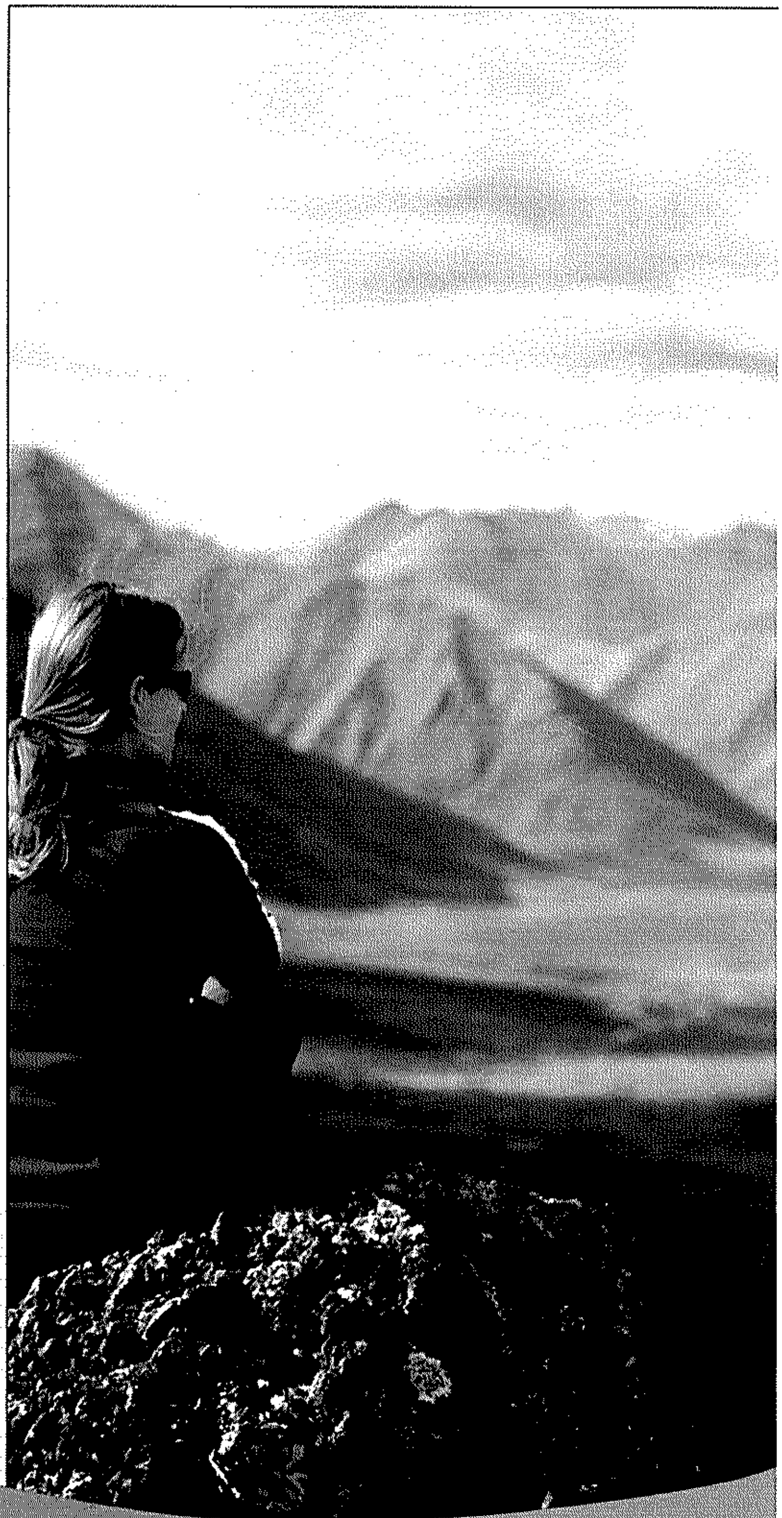
Your 2024 Pension Fund Report

yukon
hospital corporation



At the Yukon Hospital Corporation (YHC), we take a comprehensive approach to managing the Yukon Hospital Corporation Employees' Pension Plan (the Plan). The Pension Committee, which is made up of both employee and employer representatives, carefully manages the Plan to fulfill our commitment to you and to comply with all governance and regulatory requirements. We review the financial status of the Plan and assess its investment strategies and performance.

As part of our continuing efforts to keep you informed about your Plan, we have prepared this report to members with information about how we manage the Plan.

[redacted]

Monitoring the Plan

To make sure our Plan is in good financial health, our Plan's actuary, WTW, performs a yearly check-up, called an actuarial valuation, by comparing the Plan assets to the value of the benefits promised to Plan members. To do so, they perform two separate valuations:

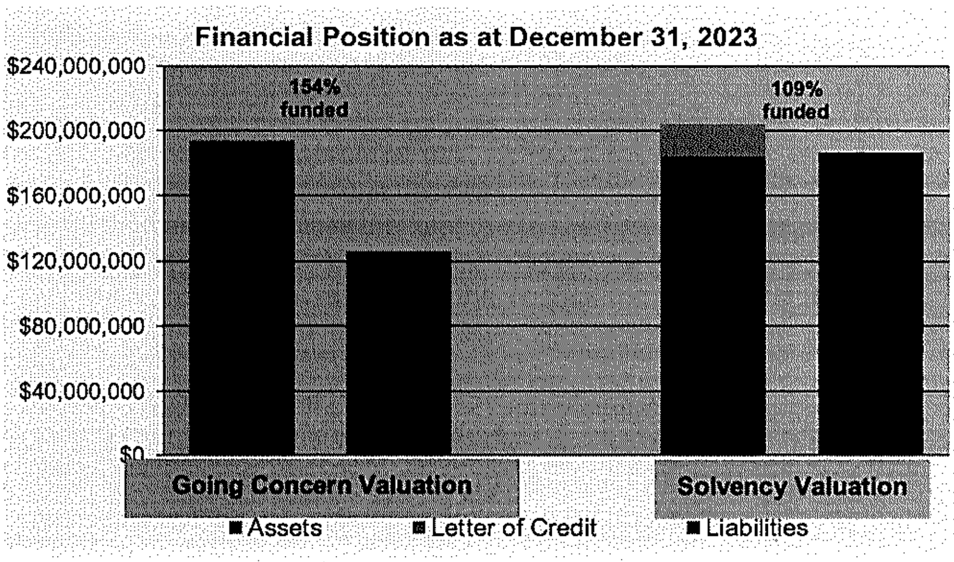
- **Going concern valuation** assumes the Plan will operate indefinitely, and provides an outlook on the Plan's long-term sustainability. Assumptions take into account salary levels, investment returns, inflation, when members will retire and how long they are likely to live.
- **Solvency valuation** takes a short-term outlook, assuming the Plan is terminated at the valuation date. It calculates the benefits accumulated up to the valuation date and determines the total amount of money needed to settle current pension obligations. This valuation is based on current market interest rates — so the results are more volatile and, in a low interest rate environment, will generally result in a smaller surplus or a larger deficit than the going concern valuation. The solvency valuation is required to be prepared for all private pension plans by pension legislation. There is no intention to terminate the Plan.

2024 Plan Check-up Results

As at December 31, 2023, the Plan is in a surplus position on both going concern and solvency valuation methods. This means that the Plan has sufficient assets to provide for pensions accrued to that date.

Does the solvency position affect my pension benefits?

No. The current financial condition of the Plan will in no way affect the pension benefits you currently receive if you are a retiree under the Plan. The Plan has a surplus on the long-term outlook of the financial position and the YHC remains committed to meeting its pension promise for all current and future retirees.



Plan Funding

Your and the YHC's contributions are the basis of the Plan funding, in addition to the returns on assets held by the pension fund. In fact, our goal is for you and the YHC to contribute to your future retirement benefits equally – in other words, you contribute 50% and the YHC contributes 50%.

You contribute a percentage of your pensionable earnings. The percentage amount is determined each year.

The YHC contributes the balance of the cost of the benefits plus expenses to administer the Plan plus any required contributions towards Plan deficits.

Your Contributions

Because the Plan is integrated with CPP, contributions on your earnings up to the Years' Maximum Pensionable Earnings ("YMPE") are lower than on your earnings above the YMPE. Because of the differences in early retirement eligibility, Group 1 and Group 2 plan members have different contribution schedules. Member contributions schedule, as a percentage of earnings, for 2024 and 2025 are:

YHC	Group 1 Members		Group 2 Members	
Plan	Up to YMPE	Above YMPE	Up to YMPE	Above YMPE
2024	6.5%	8.5%	5.4%	7.4%
2025	6.0%	8.0%	4.9%	6.9%

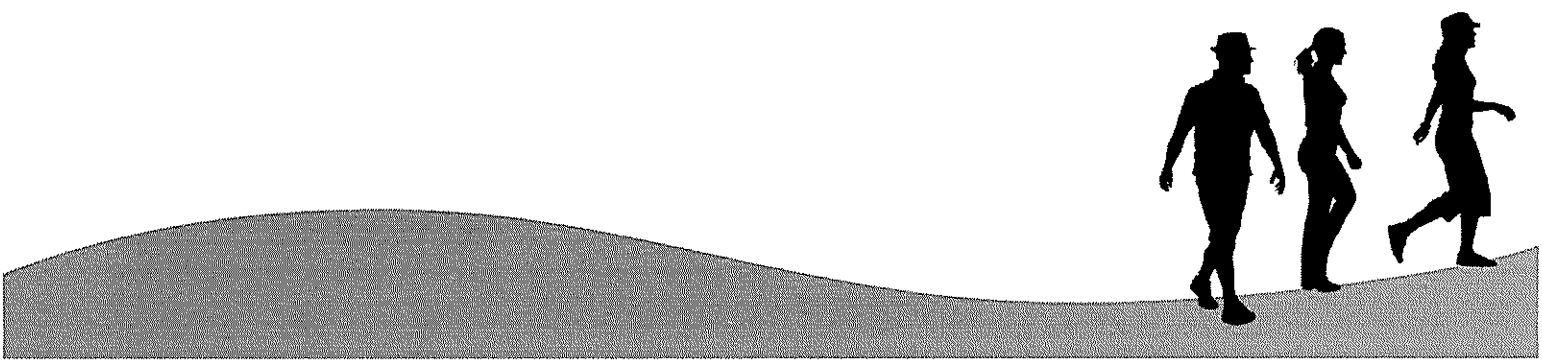
In comparison, the member contribution rates, as a percentage of earnings, for the Federal PSSA are shown in the table below.

PSSA	Group 1 Members		Group 2 Members	
	Up to YMPE	Above YMPE	Up to YMPE	Above YMPE
2024	9.35%	12.25%	7.94%	11.54%
2025	9.35%	12.25%	7.94%	11.54%

Watch Your Pension Payments Grow

After you leave the YHC (terminate or retire), your lifetime and bridge pensions are eligible for annual indexation. That means, each January 1, your pension will increase at the rate of inflation for the lifetime of your benefit. In other words, your pension payments will grow over time and help protect the value of your money.

The rate of increase will be based on the annual increase in the Consumer Price Index (CPI) measured as at September 30. The annual indexation granted at January 1, 2024 was 3.8%.



[redacted]

Pension Plan Funding

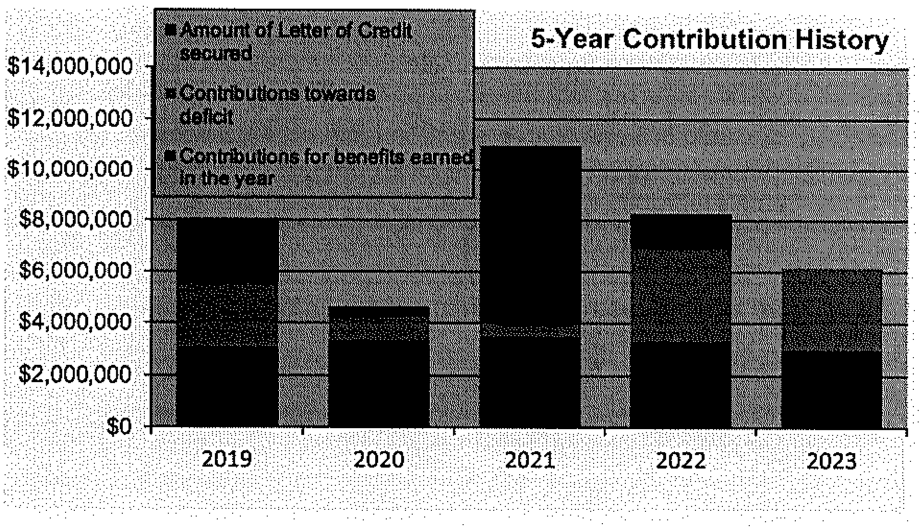
Due to the amount of surplus on both going concern and solvency valuation methods at December 31, 2023, pension legislation and the pension plan document requires both the YHC's and the plan members' contribution requirements to be temporarily paid from the Plan's surplus. Accordingly, your pension deductions from your pay will stop effective October 6, 2024.

Your contribution requirements will continue to be paid from the Plan's surplus until the spring of 2025, at which time our Plan's actuary will perform the yearly checkup to determine the going concern and solvency positions as at December 31, 2024. This yearly checkup will determine if both the YHC's and the plan members' contribution requirements must continue to be funded from the Plan's surplus or if both the YHC and the plan members must restart making contributions to the Plan.

The YHC's and the Plan members' contribution requirements will restart in the future and could be as soon as the middle of 2025. It is important to note, for your own financial planning and budgeting, that the suspension of payments to the plan is temporary and that this change in contributions will not affect your pension benefits. More detailed information will be coming in the next few months.

YHC Contributions and Letter of Credit

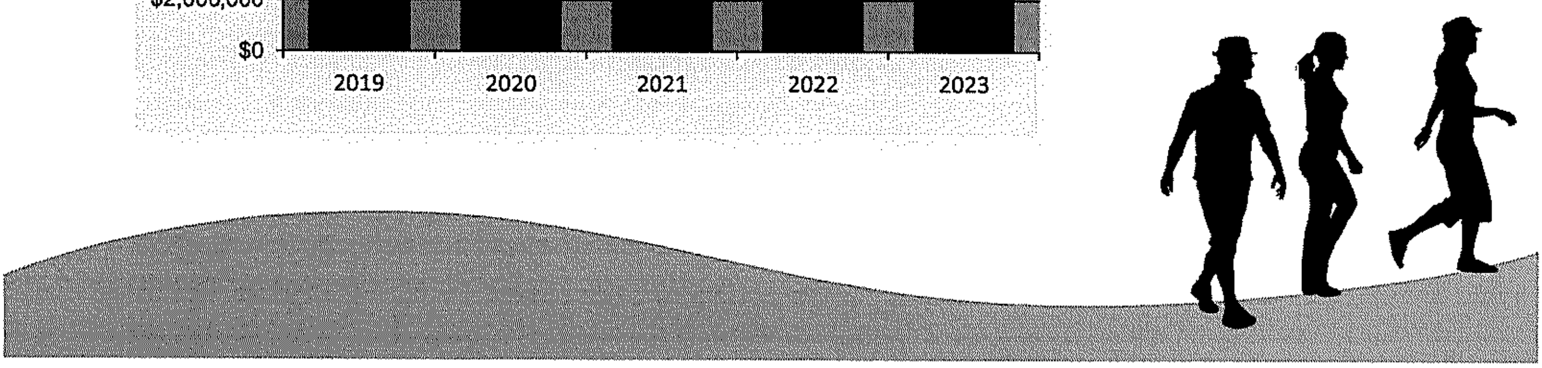
In 2023, the YHC made contributions to the pension fund of $2.9 million for pension benefits earned in the year and $3.2 million in solvency special payments.



Questions?

Contact the Payroll & Pension Plan Administrator:

- **(867) 393-8662**
- **Yukon.hospitals.payroll@ wgh.yk.ca**



Investment Policy

The investment policy focuses on the long-term, ensuring investment returns are sufficient to meet the pension promise. It also impacts the funding requirements. For example, if the fund earns a lower investment return than anticipated, the YHC's required contributions to the fund may increase to offset the lower returns.

Fund Mix

The Plan fund is professionally invested by an independent investment manager according to specific investment policies and guidelines adopted by the YHC.

As at December 31, 2023, the pension fund is invested in a diversified asset mix, as follows:

- 17% Canadian equities
- 33% Global equities
- 33% Fixed income investments
- 16% Alternative investments (real estate, infrastructure, and private equity)
- 1% Cash and short term investments

Pension fund assets are held by Northern Trust, the fund custodian, and kept separate from the YHC's assets.