

TERMS OF REFERENCE - THE PENSION PLAN ADVISORY COMMITTEE

In carrying out the mandate to support the Pension Board in governing, managing and operating the Plan and the Fund, and to support the Church's human resources objectives through the design and operation of the Plan, members of Pension Plan Advisory Committee will use the skills and work-related knowledge that they possess or ought to possess by virtue of their profession or business, and exercise the care, diligence and skill that a person of prudence would exercise in dealing with the property of another person.

The Pension Plan Advisory Committee's composition, operation and responsibilities are described below.

1. *Plans Subject to the Authority of the Pension Plan Advisory Committee*

The committee's pension related authority applies solely to The Pension Plan of The United Church of Canada (the "Plan").

2. *Pension Plan Advisory Committee Composition and Operation*

- (a) Six to ten voting members at least one of whom will be a voting member of the Pension Board (the "Board Representative"), and two ex-officio (non-voting) designated staff members. Each voting member will possess relevant experience and expertise in one or more of the following core areas of pension practice: actuarial, legal, human resources or pension administration. Preference will be given to individuals who are currently employed or recently retired in one of these professional pension fields.
- (b) The Pension Board will recommend voting members of the committee to the Nominations Committee of the Executive of the General Council. If the number of members on the committee at any point in time is less than six, the Executive will appoint the number of members necessary to achieve at least six.
- (c) The two ex-officio designated staff members will consist of:
 - i. the Executive Officer, Ministry and Employment; and
 - ii. the Executive Officer, Financial Services;
 - iii. or their designates (the "Designated Staff Reps")
- (d) Voting members will normally serve for a term of three years. The maximum number of terms that may be served consecutively by members is three, unless the Nominations Committee of the Executive grants an exception in writing on such terms and conditions as the Nominations Committee of the Executive may establish from time to time. Appointments will be reviewed periodically by the Pension Board. Wherever possible, terms of the specialists should be staggered in such a manner as to promote continuity on the committee.
- (e) The Pension Board will appoint the chair of the committee. The chair's appointment will be for a three-year term and may be renewed to coincide with their membership term for a maximum of nine consecutive years. For greater

clarity, if a member of the Pension Plan Advisory Committee is appointed as chair after completing part of their term, their first term as chair will end coincident with the end of their membership term.

- (f) No person will be eligible to serve as a voting member if he or she is a member of the General Council Office staff.
- (g) The committee will meet at least four times a year and will adopt meeting processes and procedures.
- (h) A meeting will be properly constituted only if a majority of the voting members are present in person or participating by means of a telephone, video conference or other technology.
- (i) No proxies will be permitted at any time. However, another voting member of the Pension Board may attend as an alternate Board Representative.
- (j) No motion at a meeting will be adopted unless it receives an affirmative vote from a majority of the voting members of the committee participating in the meeting. Should a motion be proposed by circulating hard copies, use of e-mail, or comparable technologies outside of a meeting, it will not be adopted unless it receives an affirmative vote from a majority of all voting members of the committee.
- (k) In the event the chair cannot attend a particular meeting, the chair may appoint an acting chair in advance or the remaining members present will appoint a member to act as acting chair for the purposes of that meeting.
- (l) Members are entitled to reimbursement from the Fund of reasonable expenses incurred personally in the conduct of their duties, in accordance with the Pension Board's expense chargeback policy.

3. ***Pension Plan Advisory Committee Responsibilities***

The Pension Plan Advisory Committee has responsibilities in the following areas.

General governance:

- (a) Recommend to the Pension Board, any changes to the pension governance policies which relate specifically to Plan design, funding and administration;
- (b) assist the Pension Board in its oversight of:
 - (i) compliance with all Plan design, funding and administration policies adopted by the Pension Board, the Pension Plan Advisory Committee and the Executive;
 - (ii) compliance with legislation;

- (iii) compliance with the Code of Conduct for the Plan and the Fund; and
- (iv) compliance with the committee's Terms of Reference.

Plan design:

- (a) Recommend to the Pension Board the establishment of any new retirement arrangements or termination of the existing Plan;
- (b) recommend to the Pension Board Plan amendments including any ad hoc increases in Plan benefits;
- (c) provide oversight to ensure that documents and reports relating to Plan amendments required by applicable legislation are filed with the regulators; and
- (d) recommend to the Pension Board modifications or refinements to Plan design.

Plan funding:

- (a) Recommend to the Pension Board the Plan's funding policy;
- (b) approve the economic, financial and demographic assumptions and the methods employed to calculate the value of the Plan's assets and liabilities, consistent with the Plan's funding policy;
- (c) review the consistency of the Plan's funded status with the funding policy and the compliance of the contribution amounts deposited to the Fund with the recommendations in the actuarial valuation report and cost certificates;
- (d) recommend to the Pension Board the actuarial valuation reports and cost certificates;
- (e) recommend to the Pension Board, any changes to contribution levels for pastoral charges and other participating employers and/or Plan members;
- (f) provide oversight to ensure that funding related documents and reports that are required by applicable legislation are filed with the regulators; and
- (g) recommend to the Pension Board, modifications or refinements to Plan funding.

Plan administration:

- (a) Recommend to the Pension Board Plan administration policies;
- (b) decide matters of Plan interpretation (including the payment of benefits) referred to the committee by staff, and to initiate the review of staff decisions

on matters of Plan interpretation where the committee deems such review necessary;

- (c) refer to the Pension Board matters of Plan interpretation where the committee deems such referral to be necessary;
- (d) monitor and evaluate the maintenance of member records and the enrollment of eligible members by staff;
- (e) approve Plan administration service standards and monitor and evaluate the Plan's administration service in accordance with these standards;
- (f) approve new participating employers and related guidelines;
- (g) provide oversight to ensure that administration related documents and reports that are required by applicable legislation are filed with the regulators; and
- (h) recommend to the Pension Board modifications or refinements to Plan administration.

4. ***Periodic Performance Review***

In addition to the quarterly reports received from the committee, the Pension Board will periodically evaluate the performance of its delegates in order to discharge its responsibility to oversee its delegates.

At least annually, the committee will undertake a collective self-assessment and report the results to the Pension Board.

5. ***Review Terms of Reference***

The Pension Plan Advisory Committee shall review this Terms of Reference document every three years or more often, as needed.