

Special Forces Pension Board Mandate and Roles Document

The Mandate and Roles Document (the “Document”) for the Special Forces Pension Board (“the Board”) has been jointly developed by the President of Treasury Board and Minister of Finance (“the Minister”) and the Board and is consistent with the *Alberta Public Agencies Governance Act*.

1. Mandate

The mandate of the Board, as established under the *Public Sector Pension Plans Act* (“PSPPA”) Schedule 4 is to:

- 1.1 undertake an actuarial valuation at least every three years and make plan provisions by regulation adjusting current service contributions to ensure the Special Forces Pension Plan (“SFPP”) is funded;
- 1.2 determine the contributions payable to the indexing fund established to provide for cost-of-living adjustments (“COLA”) to be paid for service after 1991;
- 1.3 establish the COLA (if any) to be provided for service after 1991;
- 1.4 recommend to the Minister:
 - 1.4.1 subject to legislative requirements, the transfer of assets including surplus assets from the SFPP fund to the indexing fund for payment of COLA for service after 1991; and
 - 1.4.2 amending, or repealing and replacing the *Special Forces Pension Plan Regulation* (the “Plan Rules”).
- 1.5 set general policy guidelines such as the Statement of Investment Policies and Goals on the investment and management of the SFPP fund and indexing fund;
- 1.6 set general policy guidelines on the administration of SFPP;
- 1.7 review administrative decisions for the SFPP in accordance with the delegation from the Minister;
- 1.8 participate in consultations with the Minister with respect to:
 - 1.8.1 the cost to be charged for the administration of the SFPP; and
 - 1.8.2 changes proposed to the *Public Sector Pension Plans (Legislative Provisions) Regulation*.

2. Legislative Authority

- 2.1 The Board has responsibilities under, and is subject to the:
 - *Public Sector Pension Plans Act*
 - *Public Sector (Legislative Provisions) Regulation* (AR 365/93)
 - *Special Forces Pension Plan Regulation* (AR 369/93)
 - Ministerial Authorization 04/94
(Delegation from Minister to review administrative decisions)
- 2.2 The Board is also subject to certain other legislation, orders, directives and policies.
- 2.3 The Minister and the Board (and other parties, where appropriate) may in writing agree upon operational processes and practices, as needed.

3. Roles and Responsibilities

The Minister is the administrator of the SFPP and has delegated certain functions in relation to the administration of the SFPP to Alberta Pensions Services Corporation (“APS”) including support services to the Board as set out in the Pension Services Agreement.

The Minister is responsible for investing the SFPP fund in accordance with the general policy guidelines established by the Board and in accordance with the *Employment Pension Plans Act*. The Minister is also responsible for investing the indexing fund in accordance with the general policy guidelines established by the Board. The Minister has entered into an investment management agreement with Alberta Investment Management Corporation (“AIMCo”) to provide investment management services to the Minister with respect to the SFPP fund and indexing fund.

The Minister

3.1 The Minister:

- 3.1.1 is accountable to the Legislature for the activities and performance of the Board;
- 3.1.2 invests and manages the assets of the SFPP fund in accordance with the general policy guidelines set out in the Board’s Statement of Investment Policies and Goals;
- 3.1.3 invests and manages the assets of the indexing fund following in a general manner the general policy guidelines set out in the Board’s Statement of Investment Policies and Goals;
- 3.1.4 shall follow applicable general policy guidelines established by the Board on the administration of the SFPP;
- 3.1.5 after consulting the Board, shall charge the SFPP fund each fiscal year for the services provided by APS;
- 3.1.6 is authorized to collect employment information from, and disclose it to, the specific the SFPP participants or former participants to whom the information relates, participating employers, and the Board;
- 3.1.7 is responsible for preparing the annual financial statements in respect of the SFPP;
- 3.1.8 may recommend to the Lieutenant Governor in Council, after receiving a recommendation from the Board, amending or repealing and replacing Plan Rules;
- 3.1.9 may recommend to the Lieutenant Governor in Council, after consulting the Board, amendments to the *Public Sector Pension Plans (Legislative Provisions) Regulation*;
- 3.1.10 may establish reciprocal agreements or portability arrangements, after consulting the Board, between the SFPP and another public sector pension plan;
- 3.1.11 recommends to the Lieutenant Governor in Council the appointment of Board members in accordance with the *Public Sector Pension Plans Act*;
- 3.1.12 monitors whether the Board is acting within its mandate and achieving its objectives;

- 3.1.13 considers the advice of the Board regarding the services provided by APS and AIMCo;
- 3.1.14 considers and may respond to any concerns, risks, opportunities or strategic considerations raised by the Board in relation to the SFPP;
- 3.1.15 advises the Board respecting any government policies applicable to the Board or its activities or operations;
- 3.1.16 when appropriate, ensures that material developments and significant emergent issues that may affect the SFPP are brought to the attention of the Board chair (the “Chair”) on a timely basis;
- 3.1.17 shall, on application of a local authority in respect of its police service, with the consent of the police association and the Board, bring that police service under the SFPP;
- 3.1.18 conducts a review at least every seven years of the Board’s mandate and purpose consistent with the Public Agencies Governance Framework and the requirements of the *Alberta Public Agencies Governance Act*, when proclaimed.
- 3.1.19 shall, in the event of lawsuits brought by third parties in relation to SFPP:
 - 3.1.19.1 where the lawsuit is brought against any of APS, the Minister or the Government of Alberta as well as the Board or any members of the Board, coordinate and if necessary direct the defence of the lawsuit;
 - 3.1.19.2 where the lawsuit is brought against any of APS, the Minister or the Government of Alberta, but not against the Board or any members of the Board, keep the Board informed regarding the defence of the lawsuit; and
 - 3.1.19.3 have a right of approval over any settlement of the lawsuit.

The Department of Treasury Board and Finance (“the Department”)

- 3.2 The Department supports the Minister in fulfillment of the Minister’s roles, as required by the Minister, including but not limited to:
 - 3.2.1 consult the Board on all proposed legislative and regulatory changes and policy initiatives;
 - 3.2.2 consult the Board on financial reporting;
 - 3.2.3 coordinate with the Board on matters related to the appointment of Board members; and
 - 3.2.4 reviewing, evaluating and providing input into the proposed budget for Board specific costs

The Board

- 3.3 The Board:
 - 3.3.1 is accountable to the Minister for its activities and performance;
 - 3.3.2 makes rules respecting the calling of and the conduct of business at its meetings, subject to constraints by or under applicable legislation;
 - 3.3.3 identifies appropriate business processes to assist in fulfilling its mandate;

- 3.3.4 establishes such committees as it considers necessary to carry out its duties, and ensures that a written mandate of each committee is approved and reviewed annually;
- 3.3.5 establishes and administers a code of conduct and ethics governing the conduct of the Board (including its Chair) and ensures that the Board has ongoing, appropriate, and effective processes for ensuring adherence to the code;
- 3.3.6 provides an orientation process, training and ongoing development opportunities for Board members;
- 3.3.7 ensures that the Board, through a process led by the Chair (or delegated committee), conducts an annual evaluation and review of the performance of the Board, its committees, and Board members including the Chair;
- 3.3.8 oversees compliance with all relevant policies, procedures and standards by which the Board operates, and ensures that the Board operates at all times in compliance with all applicable laws and regulations;
- 3.3.9 develops mechanisms to communicate with the Minister;
- 3.3.10 annually prepares a three-year business plan, in consultation with APS, in respect of the Board's duties and responsibilities;
- 3.3.11 following consultation with APS, provides the Department with its recommendations for a proposed budget for Board specific costs in respect of the next calendar year;
- 3.3.12 identifies for the Minister's consideration any risks, opportunities or strategic considerations in relation to the administration of the SFPP or the investment of the SFPP fund and indexing fund;
- 3.3.13 ensures, when appropriate, that all material developments and significant emergent issues related to the Board and the delivery of its Mandate are disclosed to the Minister on a timely basis;
- 3.3.14 communicates with plan members and stakeholders regarding matters within the Board's mandate;
- 3.3.15 consult with APS with respect to mass communications to members or to stakeholders;
- 3.3.16 reviews the performance reports provided by APS on the administration of the SFPP and by AIMCo on the investment management of the SFPP fund and indexing fund;
- 3.3.17 provides advice to the Minister on the services provided by APS in relation to the administration of SFPP and on the investment management services provided by AIMCo;
- 3.3.18 monitors the financial performance of the Board in relation to the budget for Board specific costs;
- 3.3.19 provides input into the audit plan put forward by the Office of the Auditor General and participates in consultations pertaining to the SFPP financial statements;
- 3.3.20 sets general policy guidelines such as the Statement of Investment Policies and Goals, after consulting AIMCo, on the investment and management of the SFPP fund and the indexing fund;

- 3.3.21 may set general policy guidelines, after consulting APS, on the administration of the SFPP;
- 3.3.22 provides information to APS, for inclusion in the SFPP Annual Report, describing the Board's governance practices, and may include a discussion and analysis from the Board's perspective;
- 3.3.23 reviews administrative decisions for the SFPP;
- 3.3.24 responds to the Minister on those matters on which the Minister is required to consult the Board;
- 3.3.25 shall consult the Minister prior to issuing a news release or otherwise initiating communication with the news media;
- 3.3.26 shall, in the event of lawsuits brought by third parties in relation to SFPP;
 - 3.3.26.1 where the lawsuit is brought against the Board or any members of the Board as well as any of APS, the Minister or the Government of Alberta, work with the Minister to coordinate the defence of the lawsuit; and
 - 3.3.26.2 where the lawsuit is brought against the Board or any members of the Board but not against APS, the Minister or the Government of Alberta, keep the Minister and APS informed regarding the defence of the lawsuit, and present to the Minister for approval any proposed settlement of the lawsuit.
- 3.3.27 shall advise the Minister upon becoming aware of any threat by a third party to initiate legal proceedings of any kind in relation to SFPP.

Chair

- 3.4 The Chair:
 - 3.4.1 with direction from the Board, represents the Board and its interests in dealing with the Minister or the Deputy Minister, stakeholders and the community;
 - 3.4.2 provides leadership for the Board, effectively facilitates the work of the Board, and plans and manages the Board meetings;
 - 3.4.3 when appropriate, provides the Minister with updates on the Board's operations and informs the Minister regarding emergent issues;
 - 3.4.4 ensures that the Board and its committees have opportunities to meet;
 - 3.4.5 ensures that the Board conducts an annual evaluation of its performance, the work of individual Board members including the Chair; and
 - 3.4.6 administers the Code of Conduct and Ethics for the Board, and ensures that conflict of interest matters are addressed by the Board.

Vice-Chair

- 3.5 The Vice-Chair:
 - 3.5.1 administers the Code of Conduct and Ethics in relation to the Chair; and
 - 3.5.2 performs all the duties of the Chair in the absence or disability of the Chair.

4. Board Reporting Requirements

- 4.1 The Chair will provide the following documents to the Minister after approval by the Board:
 - 4.1.1 business plan;
 - 4.1.2 an annual summary of the Board's activities related to its mandate and business plan; and
 - 4.1.3 actuarial valuation report (including interim reports, if any).

5. Recruitment and Appointment of Board Members

- 5.1 A total of seven Board members will be appointed and nominated in accordance with section 3 of Schedule 4 of the *Public Sector Pension Plans (Legislative Provisions) Regulation*.
- 5.2 The recruitment process for members of the Board will align with the Public Agencies Governance Framework and will also meet the requirements of section 13 of the *Alberta Public Agencies Governance Act*, when proclaimed. The Chair will provide the Minister with the Board's:
 - 5.2.1 Code of Conduct and Ethics;
 - 5.2.2 recommendations for re-appointment based on Board member evaluations; and
 - 5.2.3 required competencies and the targeted skills identified from the Board's most recent skills matrix assessment.
- 5.3 Board members will be remunerated in accordance with the *Public Sector Pension Plans (Legislative Provisions) Regulation*.
- 5.4 Further information on the recruitment process for nominations is set out in the attached Appendix.

6. Administration

6.1 Review of the Mandate and Roles Document

- 6.1.1 This Document shall be in effect for not more than three years from the latest date this Document is signed by the Minister and the Chair. It must be renewed or revised within three years.

6.2 Transparency

- 6.2.1 A signed copy of this Document will be filed with the Agency Governance Secretariat. In support of the principle of transparency, this Document is available to the public on the SFPP website at: www.sfpp.ca.

6.3 Periodic Agency Review

- 6.3.1 A review of the Board's mandate and purpose will be carried out by the Minister in accordance with the review process developed in consultation with the Agency Governance Secretariat.

6.4 Transition

6.4.1 In this document “Minister” means at any time the Minister responsible for the Board, and “Department” shall be construed as that Minister’s Department.

Original Signed By

Board Chair
Special Forces Pension Board

January 28, 2014

Date:

Original Signed By

Minister
President of Treasury Board and
Minister of Finance

May 5, 2014

Date

Board Member Recruitment Process

1. Board Composition

- a) Employer Nominees: The Board has three employer nominees: (1) one person nominated by the City of Edmonton or nominated as that city's nominee by an organization representing that city; (2) one person nominated by the City of Calgary or nominated as that city's nominee by an organization representing that city; and (3) one person nominated by other employers participating in the SFPP or nominated as their nominee by an organization representing them.
- b) Employee Nominees: The Board has three employee nominees: (1) one person who is a member of the City of Edmonton Police Service and who is nominated by the Edmonton Police Association or an organization representing it; (2) one person who is a member of the Calgary Police Service and who is nominated by the Calgary Police Association or an organization representing it; and (3) one person who is a member of the police force of another municipality participating in the SFPP and who is nominated by the employees of other employers or an organization representing them.
- c) Crown Nominee: The Board has one member nominated by the Minister.

2. Board Member Terms

- a) Members are appointed for terms of up to four years, with the potential for re-appointment based on satisfactory performance. Appointments may be for shorter terms to balance member continuity and renewal. Board members are appointed by Order-in-Council.
- b) Board member terms are consistent with the Public Agencies Governance Framework and will meet the requirements of the *Alberta Public Agencies Governance Act*, when proclaimed. A Board member may serve a maximum of 12 consecutive years.

3. Board Members Nominated by Employers and Employees

- a) The Minister will write to nominating stakeholders providing them with the Board's competency matrix and requesting that they provide the names of qualified candidates.
- b) The recruitment process will be led by the nominating stakeholder.
- c) Nominating stakeholders will take into consideration the Board's competency matrix identifying the skills and knowledge required of Board members.
- d) Nominating stakeholders will forward the names of qualified candidates to the Minister.

4. Board Member Nominated by the Crown

- a) The Crown will, taking into consideration the Board's competency matrix, determine the process that will be used for selecting a nominee.

5. Reappointment of a Board Member

- a) Where a Board member is eligible for reappointment the nominating stakeholder will be asked if they wish to have the Board member serve another term. If so, the Chair will be requested to indicate in writing to the Minister whether the Board supports the reappointment.