

Halifax Regional Municipality Pension Plan

Committee Training and Education Policy

Revised and Approved: June 2012

Review Date: March 2013

Background

By way of background, the HRM pension plan states in its Section 6, under "Duties of the Committee", the following:

"To provide for training of the Committee at seminars, through the retention of independent trainers, through attendance at conventions and other such bodies, anywhere the Committee deems appropriate and beneficial to the beneficiaries as a whole."

In 2000, the Office of the Superintendent of Financial Institutions (OSFI) together with two pension industry organizations, Association of Canadian Pension Managers (ACPM) and Pension Investment Association of Canada (PIAC) developed basic governance guidelines for the pension industry. This Joint Task Force concentrated on six principles of governance. The fifth principle is as follows:

5. *Plan Administrator should be qualified and knowledgeable. Everyone involved in the administration of the plan should have, or acquire, the current and appropriate knowledge and skills which are required for the assigned responsibilities.*

In accepting appointment, Committee members and alternates should clearly understand that it is an ongoing obligation of the Committee member/alternate to educate themselves on the plan and current pension issues, including, but not limited to the plan rules, pension legislation, actuarial principles, fiduciary duties, financial markets, and risk management.

The Policy

The policy of the HRM Pension Plan with respect to Committee education and training encompasses the following elements:

- (i) New member/alternate orientation
- (ii) Ongoing member/alternate education and training
- (iii) Participating Employer representative training

New Member/Alternate Orientation

At the time a new member/alternate/ Participating Employer representative joins the Committee, the Pension Office will:

- (i) Provide an orientation manual containing the following:
 - Organizational Structure
 - Organizational Charts
 - Audit Sub-Committee Mandate
 - Training and Education Sub-Committee Mandate
 - List of Voting Members with Contact Information
 - List of Alternates with Contact Information

- List of Participating Employer Representatives
- List of Pension Plan Office Main Contacts
- Plan Text and Amendments Governance
 - Governance Policies
 - Privacy Principles
 - Statement of Investment Policies and Procedures (SIP&P)
 - Expense Policy
 - Participation Policy & Agreement
 - Reciprocal Transfer Agreement Policy
 - Policy for Ad Hoc Pensioner Increases
 - Policy for Excess Interest Adjustments
 - Funding Policy
- Procedures
 - Pension Committee Appointment Letter
 - Committee Members Code of Conduct
 - Code of Conduct Form
 - In Camera Procedures
 - Procedures for Dealing with the Media
 - Expense Claim Form
 - Course Evaluation Form
 - Request for Deviation from Training & Education Guidelines Form
 - Training & Education Checklist
 - Remuneration of Members/Alternates Claim Form
- DC Insurance Policies
- Reference Material
 - New Member “Welcome” Package (Non-PSO & PSO versions)
 - Third Party Service Provider List
 - Pension Website Links (i.e. Nova Scotia Pension Benefits Act and Regulations, Income Tax Act and Regulation, educational organizations, etc.)
 - Glossary of Pension Terms
 - Glossary of Investment Terms
 - History of HRM Pension Plan
 - Other items as designated from time to time

Committee members and alternates are expected to make themselves familiar with the Orientation Manual. The Orientation Manual supplements the education program; it does not replace it.

- (ii) Provide links to online pension and benefits publications i.e.: <http://www.benefitscanada.com/> and <http://www.bpmmagazine.com/>.

Committee members and alternates are encouraged to subscribe to the aforementioned publications in an effort to keep themselves up to date on pension issues.

- (iii) Schedule a one (1) hour introductory meeting with the CEO prior to attending the next scheduled Pension Committee meeting. The purpose of the introductory meeting is to review the Orientation Manual, and to answer any questions the member/alternate may have.
- (iv) Advise of the following suggested supplementary reading:
Pension Fund Excellence by Keith P. Ambachtsheer and D. Don Ezra
Portable Pension Fiduciary by John Ilkiw and
Policy Governance Model by John Carver.

Each Committee member/alternate will have access to the above noted material through the Pension Office. Participating Employer representatives are welcome to borrow this material when it is available. It is recommended that the Portable Pension Fiduciary be read before the member/alternate/ Participating Employer representative has attended the Annual Pension Education Session. Suggested supplementary reading is designated by the Training & Education Sub-Committee in consultation with the Pension Office.

Each year the Committee will hold an internal, Annual Pension Education Session for Committee Members, Alternates, and Participating Employer representatives. Attendance at the Annual Pension Education Session is a requirement for each new member/alternate and should cover the following core requirements:

- The HRM Pension Plan, including current funded status
- Pension Legislation
- Actuarial Principles
- Fiduciary Duties
- Investments and Financial Markets
- Risk Management

Ongoing Member/Alternate Education & Training

In addition to the Annual Education Session, Committee members/alternates have an ongoing obligation to educate themselves and to keep abreast of pension trends, changes in legislation and funding, investment, and other developments through attendance at prescribed training. It is understood that regular attendance at Committee meetings will be a core component of the member/alternate education program. The Pension Office is responsible for ensuring access to such training and monitoring Committee member/alternate participation. The Committee delegates authority to the CEO to approve courses/e-learning/seminars/conferences that would be deemed appropriate for the duties of a Committee member/alternate.

In keeping with this commitment:

- (i) Committee members/alternates are required to attend **Core Training** pre-approved by the Committee. Core Training is designed to provide general training in pension fundamentals. The Committee has identified the following course as Core Training:

Annual Pension Education Session for Committee Members, Alternates and Participating Employers.

- (ii) The Committee may prescribe a sub-committee-specific education requirement.
- (iii) Each Committee member/alternate will be allocated an annual training & education budget upon completion of their Core Training. It is recommended that the budget amounts be set by the Committee and will contain sufficient funds to cover attendance to one (1) external training program/conference each year for members and every two (2) years for alternates. Alternates are allowed to combine their 2 years of training budget allotment. Members/alternates are encouraged to utilize their budget as another tool to keep themselves current in pension issues and trends. Committee members/alternates are required to have an updated Code of Conduct form signed annually prior to attending any courses, including Core Training.

Committee members/alternates will be accountable for exercising integrity, prudence, value-for-money, and good judgement in their educational expenditures. Sharing of transportation costs, when travelling together or at the same time, is encouraged.

The member/alternate will complete and return an evaluation form provided by the Pension Office in respect of each course/conference attended and will be prepared to provide a short report to the Committee at the Committee meeting following completion of the course. At conferences where attendance tracking is available to obtain a certificate, members/alternates must obtain the certificate and provide the Pension Office with a copy for their training file. At courses where examinations are available to obtain a certificate, members/alternates are required to take the exam and provide the Pension Office with a copy for their training file.

- (iv) In order to be eligible to attend external training, with the exception of Core Training, Committee members and alternates must have attended at least 75% of the previous regular Committee meetings over the preceding 12 month period. The Co-Chairs may make an exception for absences due to emergencies, or other extenuating circumstances.
- (v) The Committee wishes to take advantage of internal training opportunities as much as possible. Where appropriate, the CEO is encouraged to request organizations to hold their conferences/sessions locally and shall arrange for internal training sessions as appropriate.
- (vi) In addition to investment strategy educational sessions being provided at regular Committee meetings, a session on Actuarial and auditing principles will also be presented prior to the approval of actuarial valuation assumptions (when a valuation is required) and audited financial statements.
- (vii) Each Committee member/alternate is encouraged to read all prescribed Committee orientation materials and ‘Suggested Supplementary Reading’ materials.
- (viii) Committee members/alternates are encouraged to participate regularly in local education events that offer valuable content at minimal expense.
- (ix) Each year, the Pension Office will provide each Committee member/alternate with a history of their training for the previous twelve (12) months to review for accuracy.

The Pension Office will provide Committee members/alternates/ Participating Employers access to an Annual Events Calendar via the Member section of the Pension Plan website when constructed. In the meantime, this material will be sent via email. The calendar will contain all training/conferences available, links to session content and will be updated throughout the year as additional training opportunities become known. The Pension Office will notify Committee members/alternates/Participating Employers each time the Calendar is updated via email.

The Pension Office will provide each member with their training history and budget balance via the Member section of the Pension Plan website. In the meantime, this material will be sent via email.

Guideline for Attendance at Educational Opportunities:

Basic Pension Plan	Governance	Current Trends/Networking	Advanced Financial Literacy
Annual Education Session	Advanced Trustee Management Standards Series (ATMS) Pre-requisite: Complete (FTMS) Certificate of Achievement or Pass the ATMS Qualifying Test (waived for those who earned an ATMS certificate under the previous curriculum).	Canadian Pension & Benefits Institute (CPBI) National/Regional	Wharton – Portfolio Concepts & Management (Introductory)
Internal Sessions: - As recommended by T&E Sub-Committee or CEO	Carver Workshops	Association of Canadian Pension Management (ACPM)	Wharton – (Advanced) Investments Management
		Annual Canadian Employee Benefits Conference – International Foundation (IF) <i>Pension & Investment sessions only</i>	School of Pension Investment Management (SPIM) (Introductory)
		Canadian Investment Institute	Wharton - Hedge Funds, Real Estate and Other Alternative Investments (Advanced)

Year 1 – Mandatory Annual Pension Education Session – *must be completed prior to taking any other training as per T&E Policy.*

Year 2 - If ATMS is available, these courses are a good way to re-enforce what was learned during the Pension Education Session. Otherwise, attendance at a conference to keep yourself up on current trends and to network with other Pension Plan trustees is another valuable opportunity. There is a pre-requisite for ATMS. Completion of Foundations of Trust Management Standards (FTMS) or passed ATMS Qualifying Test (on-line open book test with 40 questions) **Note: Pre-requisite waived for those who earned an ATMS certificate under the previous curriculum.**

Year 3 – Due to the level of investment detail contained within the courses deemed to provide ‘Advanced Financial Literacy’, it is recommended that a new member/alternate to the Committee have at least three (3) years of experience prior to attending. At this point, a new member should have a grasp on the basics. An exception to this rule would be a new member/alternate who already has an investment background.

Year 4 & Onwards – Continue on with training within the competency areas you feel you require more experience in.

It is to be recognized that Committee members/alternates may attend as many of the sessions prescribed above should their budget allow them to do so. Requests from members/alternates for additional funding or to deviate from the recommended guideline must be submitted to the Training & Education Sub-Committee for review and recommendation and will be subject to the Committee Co-Chairs’ approval.

Referring to the Guideline for Attendance at Educational Opportunities above, voting Members, as a whole, will endeavour to attain/maintain at least a 50% 'Advanced Financial Literacy' competency level at all times. A member is deemed to have attained the 'Advanced Financial Literacy' competency once they have attended one (1) introductory and one (1) advanced course as denoted in that category above. The Pension Office will advise the Training & Education Sub-Committee if/when this competency level falls below 50%.

Participating Employer Representative Training & the Halifax Regional Water Commission

Participating Employer representatives will be invited to all internal training sessions. Participating Employers are encouraged to attend Core Training.

The Halifax Regional Water Commission is expected to fund their own training and education courses because they have a separate pension plan.

Training and Education Sub-Committee

In January 2011 the Training & Education sub-committee was formed.

Duties of the sub-committee include:

- recommend to the HRM Pension Committee an annual training and education budget;
- review the content and recommend any revisions to the Training and Education Policy on an ongoing basis to the HRM Pension Committee;
- review the HRM Pension Committee Orientation Manual and the Annual Education Session on an ongoing basis to ensure that it is current and accurate and recommend any additions to the Pension Committee;
- develop and recommend required competencies required of Pension Committee member/alternates and assess whether adequate training is being received.
- Review requests from Committee members/alternates requesting increases in training budget and/or deviation from the Guideline for Attendance at Educational Opportunities and make recommendation to Pension Committee Co-Chairs for action.