

## **I. Overview**

### **Section 2 – Background and Responsibilities**

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#### **2.1 History of the Liquor Board Superannuation Plan**

The origins of the Liquor Board Superannuation Plan (the Plan) date back to the formation of the Public Service Superannuation Plan in 1927. On January 1, 1945, the Liquor Board Superannuation Plan was established in its own right with the enactment of *The Liquor Board Superannuation Act* (the Act), taking with it Liquor Board employees who had been members of the Public Service Superannuation Plan. When the Public Employees (Government Contributory) Superannuation Plan was established to provide superannuation benefits for provincial public employees of designated participating employers on October 1, 1977, the Liquor Board Superannuation Plan was closed to new members. All employees of the Liquor Board (as it then was) hired after October 1, 1977 were required to join the Public Employees (Government Contributory) Superannuation Plan.

Section 3 of *The Liquor Board Superannuation Act* provides for a Commission, the sole member of which is the Minister assigned to the administration of *The Liquor Board Superannuation Act*.

#### **2.2 Delegation of Responsibilities**

The Minister, in his/her capacity as the Commission has the authority to delegate the duties of the Commission to a delegate (the Delegate).

Where the Minister, in his/her capacity as the Commission, has delegated any of his/her responsibilities with respect to the duties of the Commission, the Delegate shall exercise the power delegated to him/her in good faith until such time as the delegation is revoked.

The Minister shall have the ability to, at any time, revoke or limit any power or duty which it has delegated to the Delegate by providing written notice, at which point the Delegate shall cease performing such power or duty.

## **2.3 Responsibilities of the Minister**

The Liquor Board Superannuation Plan (the Plan) is currently governed by *The Liquor Board Superannuation Act, The Superannuation (Supplementary Provisions) Act, and The Superannuation Acts Uniform Regulations*. (Please refer to section 5 entitled **Operation of Commission** in the Governance Manual for the current composition of the Commission).

The Minister holds two roles related to the Plan and has responsibilities relative to each role.

### **1) Responsibilities resting with the Minister in his/her capacity as the Minister**

The Minister holds administrative responsibilities that are external to his/her role as the Commission and in order to fulfill his/her administrative responsibilities under the Act, the Minister:

- Recommends to Cabinet amendments to the Act, as required or deemed necessary;
- Oversees the passage of amendments to the Act;
- Oversees the passage of Regulations to the Act and amendments thereto; and
- Answers questions in the Legislative Assembly of Saskatchewan regarding the Liquor Board Superannuation Plan.

### **2) Responsibilities resting with the Minister in his/her capacity as the Commission**

The fiduciary responsibilities of the Commission (and the Delegate) are specified in subsections 2.4 and 2.5 of this policy.

The Minister responsible for *The Liquor Board Superannuation Act*, in his/her capacity as the Commission, has delegated the duties of the Commission to a delegate (the Delegate).

Any exceptions to the delegation of Commission duties are noted within the delegation document.

Within this governance manual, any reference to the Commission applies to the Delegate unless otherwise noted.

## 2.4 The Minister of Finance

Section **42** of the Act confers obligations upon the Commission to ensure that the assets of the fund are invested in accordance with the requirements for the investment of pension funds pursuant to *The Pension Benefits Act, 1992* and the *Income Tax Act (Canada)* and in accordance with any directions given by the Minister of Finance.

The Minister of Finance has, under subsection **42(1.1)** of the Act, the authority to

“ . . . impose any terms and conditions that he considers appropriate on an approval pursuant to subsection (1).”

## 2.5 Fiduciary Responsibility of the Commission

As the sole member of the Commission, the fiduciary responsibility of the Commission ultimately lies with the Minister. In order for the Commission to fulfill its primary fiduciary responsibility to all members and beneficiaries the Commission must:

- Act solely in the best interest of plan members and beneficiaries;
- Treat members and beneficiaries impartially;
- Act with the care, skill and diligence of a prudent person;
- Interpret the plan terms fairly, impartially, and in good faith;
- Prevent personal interests from conflicting with those of the plan;
- and
- Within the scope of its authority, ensure that members and beneficiaries receive the benefits promised.

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

- The Minister (the Delegate bears responsibility to the Minister in his/her capacity as the Minister);
- Labour unions representing members of the Plan;
- Organizations and individuals employed by the Commission to provide services to the Commission; and
- The Legislative Assembly of Saskatchewan.

In order to execute the Commission’s fiduciary responsibilities under the Act, the Commission shall administer the Act, as stated in Section **3(1)** of the Act.

The Commission may:

- Dispose of securities, in which the fund has been invested, in any manner and on any terms that it considers appropriate;
- Enter into agreements;
- Engage the services or retain any technical, professional or other advisor, specialist or consultant; or
- Do any other things that it considers necessary for the purposes of managing, investing or disposing of the assets of the fund.

Section **40** of the Act permits the establishment by the Liquor Board (with the permission of the Treasury Board) of a fund for the purposes of meeting any allowances payable or that may become payable under the Act.

Section **50** of the Act states that should any question arise as to the application of the Act to any employee, the question is to be determined by the Commission.

The costs incurred by the Commission for the administration of the Plan and other expenses related to managing, investing or disposing of the assets of the fund are payable out of the fund.

The Commission is responsible for the effective and timely operation and management of the Plan. To discharge this obligation, the Commission has delegated specific functions to its Plan Administrator, the Public Employees Benefits Agency (PEBA) including provision of Executive Management Services, Executive Secretary Services and other services as outlined in Section 4 of this Governance Manual, as well as to the following service providers: Legal Counsel; Actuary; Investment Managers, and a Custodian.

## **2.6 Fiduciary Responsibility and the Delegate**

The Commission cannot delegate the fiduciary responsibility for the Commission to the Delegate, the Minister in his/her capacity as the Commission ultimately retains fiduciary responsibility for the Plan.

In providing services pursuant to the delegation, the Delegate shall at all times:

- have the same duties and be subject to the same standard of care as a person acting in the capacity of the Commission;
- shall exercise the care, diligence, and skill in the administration of the Act/Fund that a person of prudence would exercise in dealing with the property of another person

- Act solely in the best interest of plan members and beneficiaries;
- Treat members and beneficiaries impartially;
- Act with the care, skill, and diligence of a prudent person;
- Interpret the plan terms fairly, impartially, and in good faith;
- Prevent personal interests from conflicting with those of the plan; and
- Within the scope of its authority, ensure that members and beneficiaries receive the benefits promised

The Delegate shall inform PEBA when he/she does not possess the skills, information, and knowledge to properly carry out any of its duties. PEBA shall find and recommend to the Commission third parties who have the necessary skills, knowledge, and information.

## **2.7 History**

Approval Date:	March 15, 2006, and September 24, 2019
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