

I. Mandate and Roles

Section 1 – Background

Contents

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|-----|--|---|
| 1.1 | History of the Municipal Employees’ Pension Plan | 1 |
| 1.2 | Responsibilities of Minister of Finance | 3 |
| 1.3 | Fiduciary Responsibilities of Commission | 4 |
| 1.4 | Participating Employers..... | 5 |
| 1.5 | History | 6 |

1.1 History of the Municipal Employees’ Pension Plan

The Municipal Employees’ Pension Plan was created in 1973. However, its history dates back more than 60 years.

The Plan’s origins date back to 1930, when a plan was initiated to provide superannuation benefits for Secretary Treasurers of Rural Municipalities. *The Rural Municipal Secretary Treasurers Superannuation Act* was formally adopted by the Legislative Assembly in 1941.

This Act provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- The president and vice-president of the Saskatchewan Association of Rural Municipalities; and
- The president and secretary treasurer of the Rural Municipal Secretary Treasurers Association.

During the 1940’s, the Saskatchewan Urban Municipalities Association and the Saskatchewan School Trustees’ Association began work to create a superannuation plan for their employees. *The Urban Employees Superannuation Act* was formally adopted by the Legislative Assembly in 1949.

The Urban Employees Superannuation Act provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- A member from each of the Saskatchewan Urban Municipalities Association and the Saskatchewan School Trustees Association; and
- A member appointed by the urban employees and the school unit employees.

The two plans were amalgamated in 1959 to form the Municipal Employees' Superannuation Plan. *The Municipal Employees' Superannuation Act* provided for an Administrative Board composed of:

- A member appointed by the provincial government;
- A member appointed by the Saskatchewan Urban Municipalities Association;
- A member appointed by the Saskatchewan School Trustees Association;
- A member appointed by each of the urban employees, the school unit employees and the employees of rural telephone companies;
- A member appointed by the Saskatchewan Association of Rural Municipalities;
- A member appointed by the Rural Municipal Secretary Treasurers' Association; and
- A member appointed by the Saskatchewan Association of Rural Telephone Companies.

The Plan was converted to a defined benefit plan in 1973. *The Municipal Employees' Superannuation Act, 1973* constituted the membership of the Commission in exactly the same manner as the Administrative Board under *The Municipal Employees' Superannuation Act*.

The Municipal Employees' Superannuation Act, 1973 was amended in 1977 to add a member appointed by designated police officers and firefighters to the Commission, appointed by the Minister of Finance.

A further amendment in 1979 removed the employer and employee appointees of rural telephone companies from the Commission and added a member appointed by community colleges.

The Act was amended again in 1997 to replace the appointee of urban employees with a member appointed by the Urban Municipal Administrators' Association.

Further amendments were made in 2003 and again in 2018 as the result of reports commissioned by the Ministry of Finance. The composition of the Commission changed to ten members in 2003 and expanded to 12 members in 2018, consisting of appointees from the following groups:

Employer Appointees

- A member appointed by Saskatchewan Urban Municipalities Association;
- Two members appointed by the Saskatchewan School Boards Association;
- A member appointed by the Saskatchewan Association of Rural Municipalities;
- A member jointly appointed by the employers that employ designated plan members; and
- A member jointly appointed by the regional libraries and regional colleges.

Employee Appointees

- A member appointed by the Rural Municipal Administrators' Association of Saskatchewan;
- A member appointed by the Saskatchewan Association of School Business Officials;
- A member appointed by the Urban Municipal Administrators Association of Saskatchewan;
- A member appointed by the Saskatchewan locals of the Canadian Union of Public Employees (CUPE) that represent employees who are members of the Plan;
- A member jointly appointed by the Saskatchewan locals of trade unions that represent employees who are members of the Plan other than CUPE members; and
- A member jointly appointed by the associations that represent firefighters and police officers who are members of the Plan.

1.2 Responsibilities of Minister of Finance

The Plan is governed by *The Municipal Employees' Pension Act and Regulations*. (Please refer to the section 7 – Operation of Commission in the Governance Manual).

In order to fulfill his/her administrative responsibilities under the Act, the Minister of Finance:

- 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;
- Answers questions in the Legislative Assembly of Saskatchewan regarding the Plan; and
- Causes a review of the composition of the Commission every five years.

1.3 Fiduciary Responsibilities of Commission

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 of Finance;
- Participating employers;
- Labour unions representing employees of participating employers;
- Groups and organizations who have appointed members to the Commission;
- 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 Plan, the Commission shall administer the Act, as stated in Section 7(2) of the Act.

The Commission is granted certain powers and protection under Section 7.1 of the Act. Such powers include charging a fee for services provided by the Commission, establishing policies for the investment of assets of the fund, and for the calculation and allocation of revenues accruing to the fund.

The Commission may determine the amount of any allowance payable pursuant to the Act; suspend or withhold payment from any person who is indebted to the fund or is not entitled to a payment from the fund; and settle or compromise any debt or obligation arising out of the administration of the Plan or fund.

Section 7.1 of the Act also contains a "hold harmless" provision whereby the Commission, or a member of the Commission, will not be held responsible for any loss or damage suffered by any person, should such loss or damage be the result of any action or inaction committed in good faith pursuant to or in the exercise of any power conferred or duty imposed by the Act or Regulations.

Section 7.01 also provides restriction on liability for individual Commission members regarding decisions or actions taken at a meeting if he/she is not present for a meeting or if at the meeting, did not vote in favour of the decision and requests that his/her dissent is entered into the minutes of the meeting.

Section 13 of the Act confers trust obligations upon the Commission. All moneys in the fund, or received by the fund at a later date, shall be paid to and held in trust by the Commission, and shall be invested by the Commission in securities authorized under *The Pension Benefits Act, 1992*.

Annually, the Commission shall submit a financial report to the Minister of Finance detailing the investment activities of the fund, which shall include a summary of the securities moneys of the fund are invested in, and the amount invested in each kind of security at the end of each year.

The Commission may:

- Dispose of assets, 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.

The costs incurred and other expenses related to managing, investing, or disposing of the assets of the fund are a charge on and payable out of the fund.

Section 64 of the Act states that the decision of the Commission shall be final should questions arise as to the application, interpretation or intent of the Act or Regulations.

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 the Associate Deputy Minister in accordance with Section 9 of the Act as well as the following service providers: Plan Administrator; Actuary; Legal Counsel; Auditor; Strategic Investment Consultant; Private Markets Consultant; Investment Managers; and Custodian.

1.4 Participating Employers

Under the Act and Regulations, employees of the following employers are currently eligible for membership in the Plan:

- Every municipality and the northern settlement of Uranium City;
- The board of education as defined in The Education Act, 1995;
- The Conseil Scolaire as defined in *The Education Act, 1995*;
- The board of every regional library as defined in *The Public Libraries Act, 1996*;
- The Saskatchewan School Boards Association;
- The Saskatchewan Association of Rural Municipalities;
- The Saskatchewan Municipal Hail Insurance Association;
- The Saskatchewan Urban Municipalities Association; and
- Any other groups or organizations that may be designated by regulation of the Lieutenant Governor in Council.

1.5 History

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