



# Pension Board Strategy: 2023–2027

The Pension Plan of  
The United Church of Canada



## About the Strategy

The Pension Plan of The United Church of Canada (the plan) is a multi-employer defined benefit plan for ministry personnel and employees of the church who work 14 or more hours a week. It is registered in the province of Ontario and under the terms of the Income Tax Act, Canada. The plan had 9,486 members and assets under management of \$1.6 billion as of December 31, 2021. It is a mature plan, with 3,242 active members representing 34 percent of total membership.

This Pension Board Strategy, adopted in 2022, is the first such strategy and provides guidance for 2023 through 2027. It will help to position the pension plan to face potential obstacles and challenges such as plan maturity, reduced number of participating employers, increased member life expectancy, and other risks identified in future studies.

## The Call

**The Board of The Pension Plan of The United Church of Canada seeks to be a faithful steward of the assets of the plan, building on the established foundational principles of good governance, responsible investment, and timely and accurate administration. As the plan anticipates trends and challenges, the Board continues to strengthen the plan for success so that members can have confidence that it is a secure, reliable, and valuable asset in their retirement. The Board is guided by the following strategic objectives:**

## The Strategic Objectives

### 1. Continue to actively prioritize plan stability and sustainability

The Administrator of the plan (the General Council Executive) and the Pension Board will provide a sustainable defined benefit pension plan in accord with the plan's [Statement of Beliefs and Guiding Principles](#), and they will take actions to enhance the likelihood that contribution rates will remain stable and predictable while providing benefit improvements when it is prudent and affordable to do so. This will be accomplished by continuing to

- actively monitor the plan's financial health to prioritize plan stability and sustainability
- use actuarial valuations and quarterly tests of the funded position on both a going-concern and a solvency basis
- regularly review and update the [Funding Policy](#)

- conduct asset-liability management studies to inform asset mix decisions
- take actions to enhance the likelihood that members' contribution rates and benefit levels will not fluctuate significantly throughout their working lives
- strive to eliminate exceptions and grandfathered provisions in plan design to enhance sustainability and contain administration costs

## 2. Enhance risk mitigation

Identifying and managing risk is core to securing benefits, particularly in volatile political and economic environments. The Pension Board will actively monitor and manage risks using multiple levers. We will

1. develop an enterprise risk management policy that takes into consideration strategic, operational, investment, legal, and regulatory risks
2. ensure that economic and demographic assumptions used for actuarial valuations, quarterly monitoring, asset/liability studies, etc. are determined and applied to manage risk
3. continue to monitor investment risks and industry standards
4. maintain a diverse investment portfolio that meets risk/return hurdles
5. deliver a clear total portfolio strategy within our risk-return targets

## 3. Strengthen approaches to active and responsible investment

With the primary objective of positioning the plan for strong and sustainable long-term performance while considering the values of the church and the General Council's commitment to deep spirituality, daring justice, and bold discipleship, the Pension Board will be an active and responsible investor. We will

1. extend active investor engagement on environmental, social, and governance elements such as climate change, decent work, human rights, and investment in reconciliation and racial justice
2. build transparent reporting practices on responsible investment activities
3. engage fund managers to improve and develop robust integration of environmental, social, and governance issues in their investment processes and in reporting to investors
4. enhance transparency in reporting responsible investment strategies and activities to members
5. establish an implementation plan to meet the net zero emissions goals by 2050, as outlined in the [Canadian Investor Statement on Climate Change](#)

#### **4. Elevate plan members' and employers' appreciation for the value of the plan**

It is important that members and employers appreciate the value of the plan so it remains relevant and meaningful to members, provides employers with an attractive benefit for current and future employees, and fulfills the church's objective of contributing to the financial well-being of members during retirement. The Pension Board will work to enhance the members' and employers' appreciation for the value of the plan to its members and to the church. We will

1. enhance communications with the participating employers and plan members (active, deferred, and retired) by considering audience age and stage, communication channels, access to information, and self-service transactions
2. provide opportunities for plan members and employers to understand the distinct advantages and workings of a defined benefit pension plan in general and the United Church plan in particular.
3. enhance members' understanding of the comprehensive nature of retirement planning, emphasizing the importance of personal savings and government retirement funds as critical components, in addition to a pension from the plan, for retirement
4. develop resources and programs to enhance members' retirement experience
5. expand Web and e-mail services that allow members to receive educational information about the plan and its design and benefits, pension environment, and responsible investment initiatives and engagements
6. hold regular and informative member and employer sessions based on expressed needs

#### **5. Enhance and modernize administration to better serve members and employers**

During the extended period of transition to in-house administration and the implementation of a new administration system, timely service to members has been challenging. The Pension Board commits to enhancing both timely and accurate service to members and employers. We will

1. continue to develop service-level standards and track service experience
2. advance operational and administrative capabilities through the resources of the new Ariel administration system
3. enhance data capture and processing capabilities using the new ADP data loader in conjunction with Ariel
4. deploy and promote self-serve online employee opportunities, including a pension calculation tool, on the [Benefits Centre website](#)
5. continue to recruit and retain diverse talent in the pension and benefits team
6. focus proactively on service solutions focused on members' age and stage in the plan

## The Implementation

Establishing the initial Pension Board Strategy is an important first step in building on the foundations of the plan. Measuring our progress toward those goals is equally important. We will

1. continue to review and monitor the skills and areas of expertise of the Board, committees, and management team, with a view to succession planning
2. set metrics to measure progress against the above strategic priorities
3. include estimated costs of initiatives in the plan budget
4. communicate the strategy to stakeholders
5. periodically review this strategy and adjust as necessary, including in 2025 to coordinate with the General Council's new plan