

Public Service Pension Advisory Committee

Terms of Reference

1. Authority

The Public Service Pension Advisory Committee is established as an advisory body to the Minister of Finance in his capacity as Trustee of the Public Service Superannuation Plan. The Minister has invited the Nova Scotia Government and General Employees Union, the Canadian Union of Public Employees, and the Nova Scotia Government Retired Employees Association to nominate representatives to sit on the Committee.

2. Purpose of Committee

To provide advice and recommendations to the Minister of Finance, in his capacity as trustee, for consideration and input on decisions related to the administration and investments of the Public Service Superannuation Plan.

3. Responsibilities

The Committee will consider, review and provide advice to the Minister in the following areas:

- a. contribution rates
- b. changes in Plan rules
- c. the application of Plan rules.
- d. participation by the plan in reciprocal agreements
- e. funding valuation assumptions
- f. actuarial reports
- g. financial statements
- h. the Plan's investments including asset mix, risk tolerance, policy framework including: allowable investment products and instruments and policies regarding the hiring, retention and monitoring of external managers, strategic planning for the Fund, as well as the review of Fund and management performance
- i. plan governance, including the potential development of a joint Board of Trustees for the Plan
- j. communications with Plan members
- k. administrative practices.
- l. other matters referred by the Minister.

The Committee's advice shall be provided in the context of the following principles:

- (i) costs will be equally shared between the employer and Plan members;
- (ii) benefit improvements will not be made unless both they and the Plan are fully funded.

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4. Membership

NSGEU	- 3 (nominated by NSGEU at least one of whom must be a PSSP pensioner and at least one a Plan member)
CUPE	- 1 (nominated by CUPE)
NSGREAA	- 1 (nominated by NSGREAA)
Province	- 4 (nominated by the Province, at least one of whom must be a Plan member who represents excluded employees)
CDHA/Other Employers	- 1 (nominated by the Province)

4.1 Membership Terms

All appointments will be at the pleasure of the appointing party and will be for three years subject to the provisions below. Members may be appointed for up to two consecutive terms. There will be co- Chairs (one Provincial and one Union) who will alternate chairing meetings. Minutes shall be signed off by the co-Chairs prior to official acceptance. Initial appointments will be for up to three years and staggered such that there are 2 - 1 year (Unions, Province) 4 - 2 year (Unions, NSGREAA, Province, Province) and 4 - 3 year (Unions, Unions, Province, Province) appointments. Members appointed for an initial 1-year term may serve two full 3-year terms in addition to their original 1-year appointments.

4.2 Committee and Member Competencies

A competency matrix (see Appendix A) outlines the skills which should be present in the Committee as a whole and the parties shall endeavour to ensure that the Committee as a whole satisfies the competency requirements. It is not expected that any one member or any one nominating party's members will satisfy all of the requirements so long as the Committee as a whole contains the necessary competencies.

4.3 Assessment of Committee Activity

The Committee shall, at least every third year, conduct a self assessment of its performance to ensure that it is meeting the requirements of these Terms of Reference and the Plan members.

4.4 Member Training:

Committee members shall be required to attend investment training and/or Trustee training to assist in the performance of their duties. The standards for such training are the Mercer/Russell Pension School of Investment Management and the Humber College Trustee education modules 1 - 3 or their equivalents. The Fund shall pay for the costs of approved training required for Committee members. The Fund may pay for additional training and development of Committee members if deemed to be in the interest of the Fund and the Plan.

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4.5 Membership Guidelines

Members must:

1. recognize that, as a Committee member, the member must act in the best interests of the beneficiaries of the Plan;
2. use the duty, care, skill and diligence of a prudent person;
3. prepare adequately for each Committee meeting;
4. recognize that time will be required to devote to ongoing training;
5. recognize that service as a Committee member requires independent study and work above and beyond regular Committee meetings.

5. Meetings/Quorum/Voting

The Committee will meet at least four times per calendar year but may meet more often at its discretion.

A quorum will be seven members, with at least three representatives from NSGEU/CUPE and three employer representatives present. Recommendations shall be passed by motion with at least 60% of the members present in favour of the motion. The Chair of the day will vote on any motion.

6. Committee Support

The administrative branch of the Fund shall provide administrative, research and such other support as shall be deemed necessary for the operation of the Committee.

7. Accountability

After each meeting, the Committee, through the co-Chairs, will make a written report to the Trustee. The Committee shall, upon completion of the Annual Report, meet with the Minister or, if so designated, his Deputy, and the Union Presidents to review the Annual Report, the performance of the Fund and to present a yearly summary of the Committee's activities.

8. Amendment of Terms of Reference

These Terms of Reference may be amended:

1. by motion of the Committee subject to the approval of the Minister, or
2. by the Minister.

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9. Effective Date

Subject to Section 8, these Terms of Reference are effective on and after December 1, 2006.

Signed:



Michael Baker
Minister of Finance and Trustee of the Public Service Superannuation Fund

January 23, 2007

Date

