

# 2019 ACPM NATIONAL CONFERENCE



## SHIFTING CURRENTS

*Navigating Retirement Diversity*

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**VANCOUVER, BC**  
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# The Quest for Sustainability in Pension Plans with Contingent Benefits

Barry Gros, *University of British Columbia Staff Pension Plan*

Barbara Sanders, *Simon Fraser University*

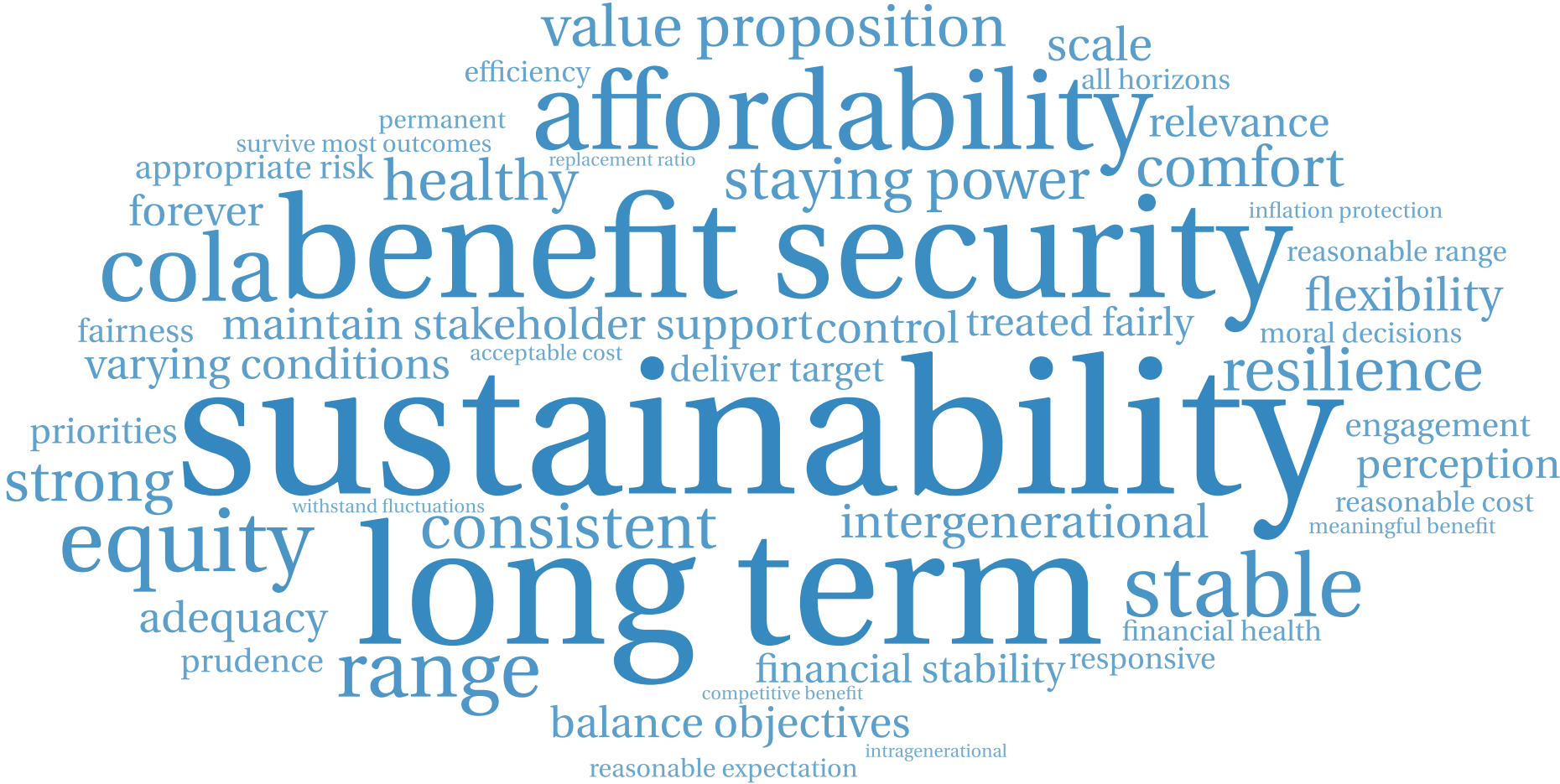
# Sustainability: a Brief History

Period	Sustainability
1950s & 1960s	Not a concern
1970s	Still not a concern
1980s	Concerns about runaway surplus
1990s	Funding challenges arise, seen as temporary
Early 2000s	Funding challenges now significant Introduction of contingent pension benefits
Since 2008	Sustainability a common topic Interest in contingent pension benefits grows

# Sustainability: a Nebulous Concept

- **“A sustainable pension plan is one that can consistently deliver, through both favourable and adverse circumstances, an appropriate range of benefits with an acceptable range of costs over the long term.” (Aon Hewitt)**
- **The plan’s ability to “meet the needs of the present without compromising the ability of future generations to meet their own needs”. (OTTP)**

# Sustainability: a Nebulous Concept



# Key Contributors to Achieving Sustainability

- Financial management
- Design and nature of the plan
- Governance
- Communication with stakeholders

# Key Learnings

- Dedication of people working on these plans
- Diversity of situations
- Complexity of the concept of sustainability
- Biggest emerging issue – intergenerational equity
- Biggest emerging risk – plan maturity
- Lack of regulatory focus on sustainability



# Q&A

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