

# Annual Report 2023/24

## Our excellence today, for tomorrow



# Excellence today for tomorrow

At BC Pension Corporation, excellence is not just about increasing quality and efficiency in our work; it's about creating a culture that enables staff to create peace of mind every day for those we serve. Our commitment to excellence begins with our people. From athletes to volunteers, the excellence of some of our employees is showcased in this annual report, highlighting how they bring their discipline and passion to their work. The synergy of personal passions and professional dedication is what makes our people who they are and what propels our organization forward. **Our people's excellence is what defines us**.

#### Territorial land acknowledgment

Our offices are located on the traditional territory of the Ləkwəŋən (Lekwungen) People, known today as the Songhees and Esquimalt First Nations. We acknowledge that we live, work and play as visitors on lands belonging to the Ləkwəŋən People since time immemorial, and we honour their ongoing connection to the land.



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Heather "Florence the Machine" Madding

# Welcome: CEO message

It is said that unless you move forward, you end up behind. This is how we think about our work and the need to continue to drive excellence at BC Pension Corporation.

In this Annual Report, you'll read about the progress we've made in key strategic initiatives including strengthening our cyber security, adding new and better services for plan members and employers, improving our thought leadership, thoughtfully embracing artificial intelligence (AI) and beginning to leverage its benefits, and enhancing our compliance programs. All of this as we continue to nurture our culture with focused training and career development programs for the amazing people who work at Pension Corporation. Also worth noting is that we remained the lowest-cost service provider among our benchmark peers.

What we accomplished this year will propel us forward as we enter Wave 2 of our strategic plan, Plan 20/30. Our organization is more capable and more resilient than ever, with talented people pursuing ambitious goals. There is a strong sense of team and, with it, a recognition that we each have a part to play in our success. Pension Corporation is an inspiring place to work.

I would like to thank the corporate board of directors for their guidance and support, the plan boards for their continued trust and confidence in us, the executive team who lead with precision, and the staff at Pension Corporation, whose dedicated talents and efforts enable us to achieve our purpose—to create peace of mind for those we serve.

Laura Nashman Chief executive officer



#### BC Pension Corporation | Annual Report 2023/24



## Board chair message

As the chair of the board of directors, I am pleased to share BC Pension Corporation's 2023/24 Annual Report, which highlights the corporation's many accomplishments from the last year.

The board is proud of the corporation's dedication to operational excellence in 2023/24, the cornerstone of Wave 1 of *Plan 20/30: Our Future is Insight*. Through operational excellence, the corporation embraced cutting-edge technology and innovations. This strategic focus ensured it is fully prepared to address the current and future needs of the plans.

The corporation also reached significant project milestones and elevated its service levels to pension plan members, employers and boards of trustees. These efforts are a testament to the corporation's dedication to build on its past successes, stay true to its values and fulfil its purpose.

On behalf of the board of directors, I would like to extend a thank you to Laura, the executive team and all the corporation's employees for their dedication, service and commitment to create peace of mind for everyone they serve.

ManAmglee

Chan-Seng Lee Chair, board of directors



**Simone Conner** Talent program lead *Volunteer, Sunday Sandwiches program* 

# Who we are: BC Pension Corporation

BC Pension Corporation is one of the largest pension service providers in Canada and the largest in British Columbia. We apply our expertise in all areas of pension administration.

We serve one in eight British Columbians while fulfilling our purpose to create peace of mind.



# Who we **serve**

Pension Corporation supports five pension plans with over 750,000 members, and one retirement benefit trust. We provide the right information at the right time so plan members can make informed decisions about their pension. We constantly evolve our approach to meet the changing needs of those we serve.

### Total membership\* in each of BC's five public sector pension plans:





\*Refers to active, inactive and retired members. Figures are based on each plan's year-end reporting cycle.



**Mostafa Shalaby** Software development engineer co-op Founder of UVic Calisthenics Club

#### Our board of directors

The collective knowledge and experience of our board of directors informs our strategic planning and direction. Board members provide careful, thoughtful oversight and sound governance. The board of directors includes a plan member and plan employer representative from each of the following plan boards.

Board of directors for the 2023/24 fiscal year:

#### College Pension Board of Trustees



Geraldine Hutchings



Cameron McRobb

#### **Municipal Pension Board of Trustees**



Gary Yee



Lucas Corwin<sup>1</sup>



Chris Rathbone<sup>2</sup>

#### Public Service Pension Board of Trustees



Chan-Seng Lee Chair





Elizabeth Baverstock Vice-chair



Cheryl Eason





1. Lucas Corwin's board term ended August 18, 2023.

2. Chris Rathbone was appointed to the board September 27, 2023.

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#### **Our leaders**

Our executive team carries out our strategic plan and keeps us focused on our operational and strategic goals. They guide us as we serve plan members, employers and trustees, and invest in our people. Our executive team are (left to right in the image above):

- Laura Nashman, chief executive officer
- Aaron Walker-Duncan, vice-president, Board and Communication Services
- Brett Emmerton, vice-president, Information and Technology Services, and chief information officer
- Erika Taylor, vice-president, People and Culture
- Joel Levinson, vice-president, Member and Employer Experience
- Karlena Lewis, general counsel and privacy officer
- Trevor Fedyna, vice-president, Strategy and Insights, and chief financial officer

#### Two of our leaders recognized as exceptional

Laura Nashman, chief executive officer, and Aaron Walker-Duncan, vice-president, Board and Communication Services, were recognized for their leadership by Benefits and Pensions Monitor (BPM). Pension industry professionals from across the country nominated exceptional leaders who have helped shape the benefits, pensions and institutional investment space over the past year. Laura and Aaron were recognized for helping to change and innovate the industry. The BPM recognition represents some of the best professionals in the pension world, and we're proud to see two of our leaders recognized for their dedication to our industry. BC Pension Corporation | Annual Report 2023/24



"I am diligent and resilient through my training, which transfers to my work."

**Robert Denault** 

#### We're a BC Top Employer

Once again, BC Pension Corporation was chosen as one of BC's Top Employers. Now in its 19th year, BC's Top Employers is a special designation recognizing BC employers that lead their industry as exceptional places to work. Here are some of the reasons we were selected as a top employer for 2024:

- We support a variety of flexible work arrangements, including hybrid work options, flexible work hours, shortened work weeks and a formal earned-days-off program.
- We provide personal days, in addition to annual vacation allowance each year, enabling employees to take time for personal matters.
- We maintain excellent maternity and parental leave top-up policies for new and adoptive parents.



# Our strategic plan in progress

#### Our excellence today paves the path for tomorrow

We continue to achieve operational excellence as we digitally transform our organization and strengthen quality and efficiency. In 2023/24, we completed the first wave of our nine-year strategic plan, *Plan 20/30: Our Future is Insight*. We expanded digital services for members and employers; enhanced tools, training and processes for our staff; managed risk; and launched new plan initiatives. As a result, we bolstered our service to all, thrived together and prepared for the future.

Find details of *Plan 20/30* and Wave 2 in our road map to the future on our website.





**Operational excellence** optimize quality, cost and service



Service innovation bring new services to life



Influence be thought leaders and support the plans to increase the number of members



BC Pension Corporation Annual Report 2013

**Raven Wyntre-Clarkson** Knowledge specialist Gourde artist, Gourdeous Creations

# How we are **performing**

We made significant progress in the third and final year of our Wave 1 plan. We reached our targets for the objectives to strengthen efficiency and quality, and focus on our people and culture. For the objectives to elevate the member and employer experience, and proactively support the evolving needs of the plans, we reached several targets or were reasonably close to target and consistent with historical norms. The following snapshot shows the strategic outcomes for each *Plan 20/30* objective, key performance indicators (KPIs) that measure our progress toward the outcomes, our measurement targets and actual results for 2023/24.

#### **Objective 1: Strengthen efficiency and quality in everything we do**

#### Cost per member

We achieved our cost per member target of \$145. This is the total cost to run the organization divided by the number of plan members.

#### **Privacy and security maturity**

Our privacy and security maturity score of 3.3 exceeded the target of 3.0 (based on a five-point scale). This improvement is due to:

- New security technology that enables multiple layers of cybersecurity with AI
- Improved service capability through investment in our internal teams
- Implementation of multifactor authentication (MFA)
- Enhanced education and anti-phishing campaigns

#### **Organizational performance**

The organizational performance management score of 4.0 exceeded our target of 3.8 (based on a five-point scale). We improved our processes for managing performance, the use of data and analysis in forecasting, and KPIs to provide more meaningful insights.

#### **Pension accuracy**

We met our pension accuracy target of 99.9 per cent, which shows that the quality assurance processes we put in place continue to ensure members' pensions are paid with accuracy.

# PLAN20|30



**Grant Denning** Director, Board Services Lacrosse coach

#### BC Pension Corporation | Annual Report 2023/24



# **PLAN20|30**

### **David Scott** Curriculum designer *Ballroom dance teacher*

#### **Objective 2: Focus on our people and culture**

#### Leadership effectiveness

The leadership effectiveness score is derived from the annual employee experience survey. We met our goal of 86 per cent, which demonstrates the strength of our management team.

#### Workplace culture

The workplace culture score, derived from the annual employee experience survey, continues to remain high, though it did not meet our aspirational target of 90 per cent. The strong score of 86 per cent is our highest historical value, which demonstrates that our employees are working well together.

#### Position occupancy rate

The position occupancy rate of 91 per cent was slightly below the 93 per cent target but remains consistent with historical norms. The provincial unemployment rate was low this past year, and recruiting certain in-demand positions was a challenge.

#### **Objective 3: Elevate the member and employer experience**

#### Member satisfaction

The member satisfaction score did not meet our aggressive target of 90 per cent, though our score of 84 per cent remained consistent with historical norms. Members continue to value the services we provide and appreciate the helpfulness of our staff.

#### **Employer satisfaction**

The employer satisfaction score of 85 per cent was below our aggressive target of 90 per cent, but increased from the previous year. We continue to update reporting tools to improve the employer experience.

#### Service score

Our service score of 74 was above the industry peer average of 72 for the first time. We aspired to score even higher but are very pleased with the gains we made this past year.

#### **Retirement readiness**

The measure of retirement readiness is based on member feedback about the information they receive to make their retirement decisions. The score of 89 per cent, which was very close to our aspirational target of 90 per cent, shows that members appreciate the many resources we make available to them.

# PLAN20|30



### **Connor Hengstler** Software test co-op *Track and field athlete*

#### **Objective 4: Proactively support the evolving needs of the plans**

#### SDP commitment index

The service delivery plan (SDP) commitment index result of 108 per cent shows that we've delivered above our commitments to the plan boards. We completed more than a dozen plan innovation initiatives of various sizes.

#### **Trustee satisfaction**

We met the trustee satisfaction target of 4.5, indicating a strong level of overall satisfaction with Pension Corporation. This score is based on plan board feedback on timeliness, the quality of our advice and products, the depth and breadth of our insights, and overall satisfaction with the services we provide.

#### **Thought leadership**

We met the thought leadership score of 80 per cent. This score measures the level of insight and thought leadership we provide to our governance partners as well as to the broader pension and business community.

#### **Objective 5: Partner with the plans to increase their membership**

This past year, we supported the Municipal Pension Plan (MPP) and College Pension Plan (CPP) in their strategic growth aspirations. For MPP, we developed and launched communication materials for future members, including a new page on the plan's website. For CPP, we supported Simon Fraser University (SFU) joining the plan. We will continue to consider opportunities as they arise and support the plan boards.

# **PLAN20|30**



**Mark Walker** Enterprise applications solutions lead *Blood donor* 

"Though my career has changed, my internal drive has remained the same and my journey continues to be reaching for excellence in unison with others."

Gisèle Plourde

# Gisèle Plourde

Strategic communications advisor Former dancer, Royal Winnipeg Ballet Company

# How we are taking action

#### We digitally transformed, strengthening quality and efficiency

We have been committed to operational excellence over the past year. With this focus in mind, we successfully transformed our systems by embracing today's technology and anticipating tomorrow's innovations. This transformation has not only streamlined our processes but also strengthened our infrastructure to ensure we are well-equipped to meet the evolving needs of plan members, employers and our staff.

#### Improved the member and employer experience

#### Launched new request-tracking service for members

We launched a new service in My Account Message Centre where members can quickly view the status of their requests in real time, online. There are 20 service requests covered by the new online feature, such as applying for a pension, buying service and changing health benefits. This new service reduces member information requests in the member services centre and gives us more flexibility to redirect staff resources to other areas as needed.

#### Enhanced the employer portal and website

We improved the employer portal and website by releasing new functionality for longterm disability (LTD) reporting, which broadens the employer's ability to submit LTD information. We also updated the portal so employers can search for and find relevant information and communications more easily. In 2023/24, we improved the employer experience as well as efficiency and quality when reporting members' final service and salary. These updates reduce manual work for both employers and our staff, and enable new functionality within the portal to improve timeliness of employers' data submission.

Employers can now manage who in their organization receives communications from us. This will support our efforts to provide more targeted communications to members. It also gives us another channel for contacting members so they stay connected to their plan.



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#### **Expanded** access to online retirement

We enabled members with a marital breakdown claim to retire online. Expanded access to online retirement allows most members with a marital breakdown claim to retire online in seven easy steps. Not only is self-service convenient for members, it also gives us the certainty that retirements submitted online are accurate and complete, eliminating inefficiencies related to errors and manual processing.

#### Members registered for online access



Grant Denning

#### We leveraged the technology of today and tomorrow

#### Implemented an AI policy

We implemented an AI policy to ensure we use approved AI tools in a responsible and ethical way, and the tools meet our privacy and security requirements. The policy, which applies to all staff, outlines the principles for using AI tools in our work to ensure the appropriate use of AI services at the corporation.

## Copilot is just one of the ways we're leveraging AI to create efficiency in our service to the plans

#### Launched a pilot program to leverage Microsoft Copilot

We began a 12-month program to test and analyze the use of Microsoft Copilot, a secure AI-powered tool that can suggest sentences and paragraphs and produce the first draft of a document based on user input. Copilot is just one of the ways we're leveraging AI to create efficiency in our service to the plans.

#### Optimized our document management system to drive efficiency and measurement

We consolidated legacy systems for document management into a single solution for our member and employer experience team. Historically, accessing member-submitted information required access to more than one system and many manual steps to track and manage data. In the new document management system, these services have been built upon Microsoft Azure services. They provide a new user interface to improve access and search, as well as reaping the benefits of improved security, scale and reliability that comes from modernizing our deployment model in the cloud. This effort improved operational efficiency and set the stage for future improvements derived from cloud services.

#### Implemented industry-leading IT security tools and practices

We are now using leading threat detection and response platforms that use AI to help analyze large volumes of data for any suspicious activity. These platforms offer improved capabilities over our previous tools and integrate seamlessly with our existing security systems. "Calisthenics plays a big role in my life in keeping me fit and healthy ... I can do my work better and function better in my day-to-day." *Mostafa Shalaby* 





**Colleen Davis** Senior policy analyst *Actor* 



**Justin Kim** Senior automation test developer *Chef* 

#### We transformed our systems

#### Initiated our migration to the cloud

We enabled cloud services to increase operational efficiencies and create a scalable foundation for continued cloud adoption. This includes deployment of a new document management system, critical cloud security software and data protection software. Additionally, we migrated commercial off-the-shelf applications to the cloud and will continue migrating core applications and services to the cloud throughout Wave 2.

#### Took control of our core IT infrastructure, transitioning it to our internal team

We transitioned management of our core infrastructure from a third-party service provider to our internal team. In the process, we onboarded a new vendor to assist the team with our security operations. This integration gives us shared access to new tools and data, as well as providing more complex investigations, 24/7 coverage and expertise in incident response.

#### Strengthened cybersecurity

We've significantly enhanced our cybersecurity and information security management by integrating MFA. Staff can now use either a mobile authenticator app or a physical security key to safely access corporate devices. The launch of MFA will help limit information security risk.

#### Designed new financial and HR systems

We started the implementation of a new financial and human resources (HR) system as part of our *Plan 20/30* commitments to strengthen efficiency and quality in everything we do. The new cutting-edge platform will enable us to automate and streamline our financial and HR processes. It will make us more efficient and improve the quality of our data and information by having it all in one place.

#### We bolstered our service to all

Building on our commitment to operational excellence, we have not only reached significant project milestones in the past year, but we also elevated our service to pension plan members, employers and boards. Our actions highlight our dedication to ongoing improvement and strong leadership, ensuring we provide peace of mind to those we serve.

#### How we compare to our peers Remained the lowest-cost service provider

Every year, we participate in the CEM pension administration benchmarking analysis. While we continue to remain the lowest-cost service provider, this year marks the first time our service score surpassed the peer average. This signifies that we provide above-average service in one of the most complex pension administration environments in the country. The annual CEM report gathers data on cost, service levels and complexity for 68 of the world's leading pension systems. It provides insights into how we compare to the other participants, as well as to a select group of six similarly sized Canadian peer pension plan administrators.

#### Provided above-and-beyond service Achieved over 90 per cent of our board service targets

We consistently met our service commitments over the last year. For example, we continued to see increased use of the personalized pension estimator and a decrease in requests for staff-processed pension estimates. This reflects our continuing work to promote our digital services.

## Arlene "Slammit Janet" McElwee (left)

**Operations analyst** *Roller derby, Eves of Destruction* 

## Jett "Shirley Temple of Doom" Black (right)

Procurement and contract specialist *Roller derby, Eves of Destruction* 

#### Launched pilot for evening pension planning appointments

We launched a pilot program in September to offer one-on-one personalized planning appointments on the phone at extended hours. This helped members navigate the complexities of retirement planning in a more supportive, accessible way.

The success of the evening appointment schedule surpassed our expectations. Between late September and December 31, 2023, the booking rate reached an impressive 69 per cent of available evening appointments. The average age of participating members was 60 years old, which highlights the relevance and appeal of this service to the targeted demographic. The evening hours allowed members to include a spouse, family member or friend in their appointment, which enhanced the overall feeling of support. Our staff also enjoyed serving members during these extended hours.

## ... by eliminating inefficiencies and enabling more self-service, staff have more time available to support members

We are currently assessing our capacity to expand the evening appointments offered. Being able to provide this new service without adding to our current resources is a result of our continued commitment to operational excellence—by eliminating inefficiencies and enabling more self-service, staff have more time available to support members in new, flexible ways.





**Robert Denault** Special projects manager Athletics—distance running

#### Completed over a dozen plan innovation projects

We completed over a dozen plan innovation projects that support the goals and requests of the plans we serve. Some examples include:

#### Completed past-service purchases for members employed by SFU

We've successfully completed processing past-service purchases for College Pension Plan members employed by Simon Fraser University, which joined CPP in 2021. To support this initiative, we distributed information to new members on the potential cost and how to buy service for time worked with SFU. Members had two opportunities to purchase past service—in 2022 and again in 2023. In the 2022 wave, 274 members purchased past service for a total of \$91 million. In 2023, 52 members purchased service for a total of \$16 million. We've documented lessons learned for onboarding future employers as the plan grows.

#### Supported CPP and TPP post-retirement group benefits surveys

For CPP, we worked closely with the board and Ipsos to prepare a survey on retirement health coverage, with support from the Association of BC College Pension Plan Retirees (CPPRA) and the plan's executive research officer to test the survey. We collaborated with CPPRA to advertise the survey and encourage members to register for My Account so they could receive it. The member participation rate exceeded our expectations; over 20 per cent of those who received the survey responded. In spring 2024, we shared a report with the board highlighting key themes from the survey.

For Teachers' Pension Plan (TPP), we worked with a public engagement and communications consultant to implement a survey on extended health and dental benefits. The survey received over 1,000 responses. We supported the consultant in presenting the survey results to the board in January 2024 and in publishing high-level survey results on the plan website in spring 2024.



Connor Hengstler

#### Shared insights with the plan boards

#### Delivered on our new and younger member strategy

We delivered on our new and younger member strategy commitments. In spring 2023, we completed a video strategy and piloted videos on the plan websites. In August, we created information sheets for employers and built a section on the employer website for these resources. In fall, we assessed the *Welcome to the Plan* letter and landing page on the plan websites. Insights from this assessment helped us identify more opportunities to improve communications to new and younger members.

## Insights from this assessment helped us identify more opportunities to improve communications to new and younger members

#### Created educational material to support new member onboarding

Employers provide feedback to us through the Employer Council, employer education sessions and regular surveys. They told us they want more support to help explain the benefits of the plan to new hires. In response, we developed a promotional product called "Live for today. Invest for tomorrow," which provides basic facts, features and benefits of the plan.

#### Gained and shared insights on the gender pension gap

We created a gender insight report that explores the pension experience from the perspective of gender. Our analysis included gender-specific data at the key member transaction points of plan participation, purchase of service, termination of membership, and retirement. Key findings showed that in most plans, on average, women have lower pensionable salaries than men, and though they purchase more service than expected, their benefits continue to lag behind men's benefits. Findings from this analysis will help us better understand and improve the member experience. "In roller derby, excellence means working cohesively with a team, executing strategies effectively and quickly recovering from setbacks." Jett "Shirley Temple of Doom" Black



"Teaching dance is about enabling and fostering excellence in others.

The success I have teaching dance gives me confidence fostering the same excellence at BC Pension Corporation."

## **David Scott**



#### Expanded our influence and engagement Hosted thought-provoking trustee education event

We hosted a trustee education event this year to strengthen trustees' understanding of financial literacy and explore options to support members with their financial planning. The keynote speaker led a dynamic session on how and why their pension plan introduced its advisory services, a team of professional client service advisors who are also certified financial planners. We found out how they help members develop a retirement plan and understand their pension options.

#### Hosted hybrid Employer Councils

We hosted our first-ever hybrid Employer Council in the spring. Previous meetings had been held either entirely in person or entirely virtually. The Employer Council gives employers the opportunity to share ideas, feedback and common experiences; discuss current issues and best practices; and hear the latest news from us. The new format was very successful. This positive feedback led to a second hybrid Employer Council in fall, which was our most attended yet.

#### Supported a successful MPP AGM

We helped host another MPP annual general meeting (AGM). For the fourth year in a row, the event was held virtually. The most recent meeting highlighted the plan's netzero goal with an animated video, explained a challenging financial year, and provided an investment update from BCI and a message from the Municipal Retiree Benefit Trust chair. More than half the meeting was reserved for interaction with members through a question-and-answer (Q&A) session. Once again, we hosted breakout rooms focused on members' post-retirement group benefit and pension questions. We supported the board with communications, promotions, and member and employer registration and participation. We posted a recording of the meeting on the plan website, along with follow-up Q&As.

#### **Co-hosted the CEM Benchmarking Conference**

We use CEM Benchmarking to measure our pension administration costs, staffing levels and service. The CEM annual conference provides access to a global peer network of pension administrators that drives our continued leadership in our industry. In spring, we co-hosted the conference. To prepare for this event, we delivered a number of presentations on:

- How our vision for administration of the plans is evolving through *Plan 20/30*
- How we're riding the operational excellence evolution wave
- How we empower employees with a people-first culture
- How we are innovating service for members

The presentations were well received and prompted engaging discussions throughout the conference.

## The CEM annual conference provides access to a global peer network of pension administrators

#### Engaged in plan growth

#### Supported plan expansion work for College and Municipal pension plans

The CPP and MPP explored plan expansion in the past fiscal year. For both plans, we engaged with partners on a number of expansion-related projects, such as gathering key insights. We will continue to support the plans with implementation of their initiatives as they progress.



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### Heather "Florence the Machine" Madding Operations analyst Roller derby, Eves of Destruction

#### Advanced retirement understanding

#### Supported national organization with its latest research

We supported the Canadian Public Pension Leadership Council (CPPLC) with a national campaign to promote and communicate the results of its new research paper, "The Pensions Canadians Want: Perceptions of Retirement (2016–2022)." In September 2022, CPPLC checked in with Canadians on their feelings about retirement. Participants were asked about their expectations, desires and strategies for retirement, and their answers were compared to a 2016 survey.

"Excellence means doing the best you can to make a positive impact, striving to do better through commitment to continuous improvement, and empowering and inspiring others." Simone Conner





#### We thrived together as we prepared for the future

We thrived together over the last year. The launch of our new intranet, The Hub, marked a pivotal step to enhance our digital community and foster a sense of belonging, engagement and collaboration among staff. We also provided comprehensive learning and training opportunities for staff at all levels, and took the next step in our diversity, equity, inclusion and accessibility efforts. Our actions continue to build on past achievements and align with our values and purpose.

## Our actions continue to build on past achievements and align with our values and purpose

#### Gathered and celebrated each other Came together for virtual town halls

We continue to use virtual town halls as an opportunity for all of us to connect, regardless of where we're working from; deepen our corporate community; and share timely and important information.

#### Held annual ACE Awards

To close out 2023, we announced this year's ACE Award winners at our winter town hall. Winners, colleagues and presenters gathered later for the annual ACE Celebration luncheon. We held the luncheon at our corporation and transformed the space to reflect this year's event theme, "Sparkle all the way." Nominators were invited to say a few words and cast a spotlight on their co-workers. Members of the executive team presented trophies to the winners, which maintained the recognition tradition.

#### Recognized employees for their long service

Twenty-one Pension Corporation employees were recognized in the fall for reaching long-service milestones of 25, 30, 35 and 40 years in the BC public service. The Long Service Award recipients participated in a special event, with a dinner, an awards ceremony and live music. We are pleased to recognize and acknowledge the commitment and dedication of our long-service employees.

#### Prepared for the future

#### Collaborated on Wave 2 and service delivery plans

This past year, we celebrated the completion of Wave 1, the first three years of our nine-year strategic plan, *Plan 20/30*. Through the strategic initiatives of Wave 1, we put in place the infrastructure, systems and processes required for our digital transformation; our workforce planning helped us have the right people in the right roles with the right capabilities.

In April, we launched the Wave 2 plan, which makes our priorities clear through to 2027. The plan is a key tool for our leadership to ensure the organization stays focused on priorities and helps our employees understand how their work fits into our long-term goals. The plan was developed with input from across the organization and informed by our discussions with the boards.

We also collaborated with the plan boards to develop and launch the 2024–2027 service delivery plans for the pension plans we serve. The three-year plans, which came into effect April 1, 2024, outline the services we will provide the plan boards, members and employers, as well as the new products and services we'll introduce over this period.

The new service delivery plans align with the Wave 2 initiatives of *Plan 20/30*. This alignment ensures our transformational journey supports the evolution of our service to the plans.

#### A new, innovative way to keep connected

#### Launched new employee intranet

Our new intranet, The Hub, went live in late fall. The Hub has been designed with an emphasis on accessibility, searchability and employee engagement, with the tools and resources available for employees to do their jobs and contribute to our success.

"I have gained confidence through vending at art shows. It has taught me that I can be myself at the workplace and to face the unknown."

### **Raven Wyntre-Clarkson**



**Giuliana Crozier** Human resources coordinator Big sister, Big Brothers Big Sisters
#### Expanded learning and development for employees Expanded co-op program and co-op learning events

We continued to enhance our co-op program by providing more opportunities for students to connect, learn and lead. We introduced a biweekly "co-op connect" virtual check-in and engaged students in our annual Provincial Employees Community Services Fund (PECSF) campaign, where students developed their leadership skills and supported our community by taking an active part as committee members. Our commitment to the co-op program was honoured with the Co-op Employer of the Year for Business Award from Camosun College. We continue to leverage co-op students as a talent source for multiple business areas. They contribute their knowledge and skills to key projects, and work across the corporation during their co-op term and, when possible, beyond.

In late fall, members of the executive team met with about 30 Pension Corporation co-op students at a learning event. The students shared the number one reason why they like working at the corporation. They also talked about feeling embraced by a culture of learning, caring, sharing and growth while doing meaningful work in service of the community. As a co-op student with BC Pension Corporation, I was able to apply what I learned in school to real-world situations. My experience as a co-op student was overwhelmingly positive. I had the impression that the corporation genuinely wanted me to succeed, and I felt supported throughout the process. I currently work full-time for the corporation as a human resources administrator, which would not have been possible without the co-op program and my fantastic supervisors. I would recommend pursuing a co-op term with Pension Corporation for anyone looking to advance in their career.

Starting my co-op as a hybrid infrastructure system administrator was a key moment in my career journey. In an energetic setting, I sharpened my skills and made good connections with brilliant colleagues. The guidance and mentorship I received was incredibly impactful, taking me from a co-op student to a dedicated employee. This smooth transition shows the organization's commitment to growing its people and sparking new ideas. As I keep growing in my role, I bring with me the spirit of teamwork and the high standards set during my co-op experience.

**Fatima Amri**, Master of Science, Computer Science, University of Victoria

#### Co-op student takeaways from the event

"Since working here, I have always enjoyed the corporation's culture, work environment and all the people I've met. In today's meeting, I found out all these great things I've felt came from those amazing leaders. I feel so honoured to do my co-op term at BC Pension Corporation."

"A takeaway I had from the co-op leadership session was 'observation'—to learn from others: how they do things, what skills they use or apply; then become the leader that you are."

"An enlightening moment was when Laura shared her journey in building leadership skills. She revealed how she observed and adopted behaviors from those she admired and had worked with. This sentiment beautifully ties in to her perspective on imposter syndrome. When questioned about it, she wisely noted that reaching a certain role or position is not a mistake; it's a testament to the recognized abilities within you. If lacking confidence, she suggested practising feeling comfortable until it becomes second nature, as those around you may not perceive your uncertainties. It's a powerful reminder to simply act with confidence."

#### Provided education on change agility

"Change agility" means looking at change as an ongoing opportunity. It means developing the behaviours and skills to be able to adapt to change positively.

We began a series of activities focused on improving how we handle change in our organization. These included corporate "learning bursts," a LinkedIn Learning campaign on change, and a "flipped classroom" learning opportunity on change agility, where participants completed pre-work before an in-person session.

#### Focused on diversity, equity, inclusion and accessibility

**Established new accessibility plan, and accessibility and inclusion committee** We published our first accessibility plan, *BC Pension Corporation's Accessibility Plan*, which outlines our accessibility actions to date. It also highlights our 2023–2027 priorities in the areas of employment, organizational culture, physical environment, technology, and communication and information to increase accessibility for all. Accessibility and inclusion are fundamental to our commitment to foster employee engagement, remove barriers, develop and recruit top talent, and support the health and well-being of our employees. The commitments outlined in the plan embrace our values and purpose to create peace of mind for those we serve. The plan was developed with strategic insight from our new accessibility and inclusion committee and supports the *Accessible British Columbia Act and Regulation*. We will update the accessibility plan every four years in consultation with the committee.

#### Acted on a diversity, equity and inclusion assessment

We completed an assessment to enhance our awareness and understanding of diversity, equity, inclusion and accessibility. This will help us continue to identify gaps and biases in our processes, programs and policies, and inform new opportunities for improvement. We have since added new questions to our annual employee engagement survey to address the lack of data on accessibility. This will help us gain a better understanding of our employee demographic and provide valuable feedback on accessibility barriers and opportunities.

#### Supported a healthy workplace challenge

October was Healthy Workplace Month. Along with organizations across Canada, we took up the challenge to empower our employees to do their best, take care of themselves and help others. This year's theme was Celebrate Your Workplace Culture. We observed World Mental Health Day on October 10 in alignment with this theme and curated courses from LinkedIn Learning to support employees' mental well-being. Courses focused on meditation and mindfulness, mental health for leaders and mental health for staff.



"Being a high-performance athlete has taught me to always be keen to learn and grow, and it has given me a drive and desire to always deliver work that I am proud of." Jenny Wear

#### Gave back to our community

#### **Provincial Employees Community Services Fund**

This past year, Pension Corporation employees were united in a common cause to support charities country-wide and make a difference in their communities. Together, we raised \$72,627 over five weeks from September to November for the PECSF campaign, surpassing last year's total of \$63,922. PECSF is a public service—wide fundraising program that has raised more than \$50 million for over 1,000 charitable organizations across BC since it was launched in 1965. This year, employees could donate to any registered Canada Revenue Agency charity. One hundred per cent of pledges went straight to the charities supported. We are proud of staff's commitment to supporting their community.

### We raised \$72,627 over five weeks from September to November for the PECSF campaign

#### **Additional initiatives**

Additional fundraising initiatives this year included the Jean Up campaign in support of BC Children's Hospital Foundation, Pink Shirt Day, International Women's Day, and Orange Shirt Day.



## BC Pension Corporation | Annual Report 2023/24

Assistant director, Digital Experience and Communication Services *Two-time Olympic finalist, swimming* 

## Risk management discussion

#### How we effectively reduced our risks

Our risk management program has four areas of practice to manage the risks to the strategic objectives of *Plan 20/30*. Our corporate board and its finance, audit and risk committee consider management's perspectives and actions in each area of practice at regular meetings. Collectively, we watch out for new and emerging risks internally and externally, and plan how to address them. Over the past year, our risk management program effectively reduced key risks or maintained them at a stable level. Some flagship actions that we took to manage risk this past year are described below.

#### Strengthened our security posture to keep our information safe

Information security is always a top-of-mind risk. External pressures and changing conditions require us to continually improve and update our information security stance. Last year, we moved more of our services to the cloud, which made our information technology space more secure. Also, we brought our IT security services in-house, which increased our IT security maturity score as measured on an industry standard assessment. We continue to actively monitor our information security systems for breaches, and remain ready to react quickly and effectively to protect our information.

#### Expanded reviews that ensure pension quality

Our operational compliance activities ensure that our pension activities adhere to plan rules, relevant laws and quality standards. We expanded the existing pension calculation review process to include automated reviews of most pension calculations. We also conducted in-depth quality reviews to enhance our business processes and quality checks. Ongoing oversight for compliance and quality helps us avoid mistakes and ensures we correctly apply plan rules.

Our risk management program looks at the events that could hinder our strategic goals. Last year, we worked on mitigating our biggest risks and building our operational compliance program. This made our information more secure and improved the quality assurance processes.



## Financial discussion

We take seriously our obligation to provide services in a fiscally responsible way. We do not receive direct funding from the Province of British Columbia or any other level of government. We operate on a cost-recovery basis, as we receive funds from each pension plan for services provided. Every dollar we receive from the plans goes to support services for plan members, employers and boards of trustees, and to sustain those services. In 2023/24, we continued to be the lowest-cost service provider relative to our peers.

#### On track to budget

For the year ended March 31, 2024, we were very close to budget. Our most significant reason for the variance was that we pulled forward a project that was originally planned for a future year.

Below is a summary of total service delivery charges to the pension plans and boards we serve. The statement is a management report that represents our performance against our approved budget and reflects 2023/24 charges to the plans for core services, strategic projects and secretariat requirements.

#### Total service delivery charges to the pension plans

For the year ended March 31, 2024<sup>1</sup>

	2023/24 actual	2023/24 budget	Budget	variance	
	(\$ thousands)	(\$ thousands)	(\$ thousands)	(%)	
Core services	80,026	80,481	(455)	(0.6)	
Strategic projects	19,734	19,000	734	3.9	
Enhanced services	276	330	(54)	(16.4)	
Secretariat services	3,379	3,724	(345)	(9.3)	
Total charges to pension plans	103,415	103,535	(120)	(0.1)	

1. For a detailed breakdown, refer to the British Columbia Pension Corporation Supplemental Statement, attached to the financial statements.

**Core services**, or day-to-day operations, have remained under budget. This is primarily due to savings in information services and systems, along with strong interest income that offsets other costs.

**Strategic projects** are the charges to implement projects to improve our organizational performance. Strategic projects concluded over budget as we pulled forward a project originally planned for a future year, and we carried out additional work that further secured member data and implemented plan rule changes.

**Enhanced services** are charges in addition to our main service delivery plan budgets. These are charges approved off-cycle by plan boards for unique items.

**Secretariat services** are charges to carry out day-to-day plan board operations and to serve as liaisons between plan boards and others.

#### Audited financial statements

The audited financial statements, starting on page 51, give a different perspective than the total service delivery charges to the pension plans. The audited statements, which align with Canadian accounting standards, present a view where some charges are capitalized and amortized over the period that assets provide value. We present both views in this *Annual Report* for transparency.

In the audited financial statements for the current fiscal year ended March 31, 2024, total revenue and expenses increased relative to 2022/23. This variance can be attributed to increased salaries and amortization. Increased salaries were primarily driven by the BC General Employees' Union collective agreement and were included in the budget. As capitalized projects are completed, those amounts on the statement of financial position as an asset are amortized over time. We expect that amortization will continue to increase as the corporation continues to invest in strategic projects and more are completed. A reconciliation between the total charges to the plan and the audited financial statements is provided in notes 12 and 13 of the audited financial statements.

#### **Financial outlook**

As we look to the future, we will continue to provide excellent service to plan members, employers and boards in a fiscally responsible manner. To manage cost pressures, we will continue to cultivate a cost-conscious approach with an emphasis on efficiency, and any savings will be used to offset some of the inflationary pressures. We expect to maintain our position as a low-cost provider compared to our peers.



# Where we are **headed**

In year three, the final year of *Plan 20/30* Wave 1, we laid the foundation for Wave 2. Operational excellence, service innovation and influence remain our grounding aspirations, and our five strategic objectives continue to bring them to life. We continue to inspire the trust and confidence of members, employers and boards, and live our purpose—to create peace of mind.

For details on our aspirations, objectives and plan for the next three years, please visit our roadmap to the future.





**Jenny Wear** Client services representative Ultimate frisbee world champion medalist

# Appendices

#### Board compensation

The Pension Corporation Board of Directors oversees governance of BC Pension Corporation. Board members are remunerated through an annual retainer and per diem fee for board and committee meetings. The retainer and fees are paid to board members or the organization that employs them while they serve on the board. In addition, members are reimbursed for travel expenses.

Name	Position	Remuneration (\$)	Expenses (\$)	Total (\$)
Elizabeth Baverstock	Vice-chair	10,904	6,644	17,548
Lucas Corwin	Director	3,383	-	3,383
Cheryl Eason	Chair, audit, finance and risk committee	11,262	1,079	12,341
Geraldine Hutchings	Director	9,316	-	9,316
Chan-Seng Lee	Chair	19,016	4,297	23,313
Cameron McRobb	Director	8,794	2,737	11,531
Chris Rathbone <sup>1</sup>	Director	-	-	-
Harpinder Sandhu	Director	9,000	2,873	11,873
Gary Yee	Chair, HR and governance committee	10,922	2,951	13,873

1. Payment awaiting disbursement instructions

Board members also serve on the board's audit, finance and risk committee, and human resources (HR) and governance committee.

#### **Board committees**

#### Audit, finance and risk committee

The audit, finance and risk committee helps the board fulfil its oversight responsibilities in the areas of financial administration and risk management, such as reviewing the audited financial statements and monitoring and reporting on management of principal risks.

Name	Position
Cheryl Eason	Committee chair
Geraldine Hutchings	Member
Chan-Seng Lee	Member
Chris Rathbone	Member
Ex officio members	Board chair and vice-chair

#### Human resources and governance committee

The HR and governance committee helps the board fulfil its responsibilities for HR strategy and provides a focus on board governance to enhance board performance, such as making recommendations on HR practices, policies and procedures, and best practices and current issues related to board governance.

Name	Position
Gary Yee	Committee chair
Elizabeth Baverstock	Member
Cameron McRobb	Member
Harpinder Sandhu	Member
Ex officio members	Board chair and vice-chair



Mark Walker

#### Board and committee meeting attendance

In 2023/24, the Pension Corporation Board of Directors held five board meetings; three audit, finance and risk committee meetings; and three HR and governance committee meetings.

Name	Board meetings attended	Audit, finance and risk committee meetings attended	HR and governance committee meetings attended	Total meetings attended
Elizabeth Baverstock	7	3	3	13
Lucas Corwin	1	1	1	3
Cheryl Eason	6	3	3	12
Geraldine Hutchings	7	3	3	13
Chan-Seng Lee	7	3	3	13
Cameron McRobb	6	3	3	12
Chris Rathbone	3	1	1	5
Harpinder Sandhu	7	3	2	12
Gary Yee	5	2	2	9

#### **Executive compensation**

Pension Corporation has six divisions, each led by a vice-president with a focused portfolio. This ensures we effectively execute core business functions along with our transformational efforts.

The board determines the chief executive officer's compensation, and the executive team falls under the *Public Service Act* and its relevant compensation framework.

Name	Position	Base salary (\$)	Employer pension contributions <sup>1</sup> (\$)
Laura Nashman	Chief executive officer	437,758.75 <sup>2</sup>	42,798.25
Joel Levinson	Vice-president, Member and Employer Experience	272,710.12	26,861.95
Aaron Walker-Duncan	Vice-president, Board and Communication Services	260,564.31	25,665.58
Trevor Fedyna	Vice-president, Strategy and Insights, and chief financial officer	260,564.31	25,665.58
Brett Emmerton	Vice-president, Information and Technology Services, and chief information officer	250,727.66	24,696.67
Karlena Lewis	General counsel and privacy officer	242,826.44 <sup>3</sup>	23,918.40
Erika Taylor	Vice-president, People and Culture	230,953.40	22,748.91

1. The pension is at an employer contribution rate of 9.85 per cent of base salary. There are other forms of benefits such as medical and health benefits estimated to be 6.84 per cent of salary, as well as parking and vehicle allowances. Executive may also receive other payouts, such as for unused vacation time.

2. The base salary for Laura Nashman has been pro-rated based on a salary change on January 1, 2024.

3. The base salary for Karlena Lewis has been pro-rated based on a classification/salary change on November 1, 2023.

# Audited financial statements Financial position as at March 31, 2024





## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and information in the Annual Report are the responsibility of management of British Columbia Pension Corporation (Corporation) and have been approved by management and the Board of Directors (Board).

Management is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting policies in accordance with Canadian accounting standards for not-for-profit organizations. Other financial information contained in the Annual Report conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the internal controls necessary to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The Board, primarily through its Audit, Finance, and Risk Committee (Committee), is responsible for ensuring that management fulfils this responsibility. The Committee reviews the financial statements and recommends them to the Board for approval. The Committee meets with management and external auditors to discuss internal controls, auditing matters and financial reporting issues.

The firm of KPMG LLP has been appointed the independent auditor of the Corporation by the Board. The role of the auditor is to perform an independent audit of the financial statements of the Corporation in accordance with generally accepted auditing standards in Canada. The resulting audit opinion is set out in the Auditors' Report attached to these financial statements.

Trevor Fedyna, CPA, CGA, C. Dir

Vice-president, Strategy and Insights, and Chief Financial Officer

British Columbia Pension Corporation

Allan Chen, CPA, CA

Controller, Financial Services

British Columbia Pension Corporation

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### **INDEPENDENT AUDITOR'S REPORT**

To the Shareholder of British Columbia Pension Corporation

#### Opinion

We have audited the financial statements of the British Columbia Pension Corporation (the "Corporation"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



British Columbia Pension Corporation

# Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



British Columbia Pension Corporation

- Conclude on the appropriateness of management's use of the going concern basis of accounting
  and, based on the audit evidence obtained, whether a material uncertainty exists related to events or
  conditions that may cast significant doubt on the Corporation's ability to continue as a going concern.
  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's
  report to the related disclosures in the financial statements or, if such disclosures are inadequate,
  to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of
  our auditor's report. However, future events or conditions may cause the Corporation to cease to
  continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

**Chartered Professional Accountants** 

Vancouver, Canada June 27, 2024



## **Statement of Financial Position**

(\$ thousands)

As at March 31	Note	2024	2023
Assets			
Current			
Cash and cash equivalents	4	\$ 12,592	\$ 13,089
Due from pension plans	5	4,232	4,188
Accounts receivable		426	512
Prepaid expenses		 2,375	1,590
		19,625	19,379
Computer systems and other assets			
Intangible assets	6	35,339	24,544
Tangible assets	6	 3,654	5,561
		 38,993	30,105
Total assets		\$ 58,618	\$ 49,484
Liabilities			
Current			
Accounts payable		\$ 9,080	\$ 9,889
Accrued salaries and benefits	7	10,405	9,407
Current portion of obligations under lease	8		216
		19,485	19,512
Obligations under lease	8	-	90
Deferred capital funding	9	38,993	29,799
		 38,993	29,889
Net assets			
Share capital		120	1 <b>4</b>
Surplus		120	17 <u>2</u> 1
Internally restricted net assets		 140	83
Total liabilities and net assets		\$ 58,618	\$ 49,484

Commitments (note 10)

Contingent liabilities (note 11) The accompanying notes are an integral part of these financial statements.

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British Columbia Pension Corporation Board of Directors

Jan Rent 1

British Columbia Pension Corporation Board of Directors



## **Statement of Operations**

(\$ thousands)

For the year ended March 31	Note	2024	2023
Revenues			
Benefit Administration		90,898	84,195
Intangible assets and long term infrastructure		 57	53
Pension services	12	\$ 90,955	\$ 84,248
Pension boards' secretariat services	13	3,323	2,977
Investment income	14	954	580
Total revenues		\$ 95,232	\$ 87,805
Expenses			
Salaries and benefits		63,510	57,505
Professional services		7,474	7,204
Information services and systems		9,105	8,844
Amortization		6,924	6,177
Premises		4,671	4,329
Other	15	3,491	3,693
Total expenses		\$ 95,175	\$ 87,752
Excess of revenues over expenses		\$ 57	\$ 53

## **Statement of Changes in Net Assets**

(\$ thousands)

For the year ended March 31, 2024	-	nare pital	Surplus	Internally restricted
Opening balance	\$	-	\$ - \$	83
Excess of revenues over expenses		-	57	-
Transfers		-	(57)	57
Closing balance	\$	-	\$ - \$	140
For the year ended March 31, 2023				
Opening balance	\$	-	\$ - \$	30
Excess of revenues over expenses		-	53	
Transfers		-	(53)	53
Closing balance	\$	-	\$ - \$	83

The accompanying notes are an integral part of these financial statements.



## **Statement of Cash Flows**

(\$ thousands)

For the year ended March 31	Note	2024	2023
Operating transactions			
Excess of revenues over expenses		\$ 57	\$ 53
Add (deduct) items not involving cash			
Amortization of computer systems and other assets		6,924	6,177
Amortization of deferred capital funding		 (6,924)	(6,177)
		57	53
Changes in non-cash working capital balances			
(Increase) decrease in due from pension plans		(44)	1,016
Decrease (increase) in accounts receivable		87	(58)
(Increase) decrease in prepaid expenses		(785)	4
(Decrease) increase in accounts payable		(810)	1,046
Increase in accrued salaries and benefits		998	578
Total operating activities		\$ (497)	\$ 2,639
Investing transactions			
Acquisition of computer systems and other assets		(15,812)	(12,846)
Total investing activities		\$ (15,812)	\$ (12,846)
Financing transactions			
Decrease in obligations under lease		(306)	(212)
Deferred capital funding received		16,118	13,058
Total financing activities		\$ 15,812	\$ 12,846
(Decrease) increase for the year		\$ (497)	\$ 2,639
Cash and cash equivalents at beginning of year		13,089	 10,450
Cash and cash equivalents at end of year	4	\$ 12,592	\$ 13,089

The accompanying notes are an integral part of these financial statements.

#### 1. AUTHORITY

(\$ thousands except as otherwise noted)

British Columbia Pension Corporation (Corporation) was established as a corporation on April 1, 2000, under section 5 of the *Public Sector Pension Plans Act*, S.B.C. 1999 c. 44 (Act). The Act describes the composition, appointment, powers, functions and duties of the Board of Directors (board) for the Corporation.

#### 2. NATURE OF OPERATIONS

The Corporation operates on a not-for-profit-organization (NFPO) basis providing benefit administration services as agent for the boards of trustees responsible for the College, Municipal, Public Service and Teachers' pension plans. It may also provide services to other British Columbia public sector pension clients. The Corporation's board consists of eight directors, two directors from each of the four boards of trustees above. The chair and vice-chair of the board are elected by the directors.

Services provided by the Corporation include collecting and recording contributions, calculating and paying benefits, communicating to employers and plan members, and providing services to support the pension boards as well as other services specifically approved by the individual boards of trustees. These services are provided pursuant to service agreements with each pension plan.

The Corporation charges each pension plan for its respective share of the Corporation's operating expenses, and computer systems and other asset purchases, less investment and miscellaneous income and amortization.

The issued share (\$10.00 dollar par value) of the Corporation is held by the Province of British Columbia (Province), and accordingly the Corporation is exempt from income taxes. The Corporation collects and remits GST on the provision of services and recovers eligible taxes paid through the input tax credits.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for NFPOs under Part III of the Chartered Professional Accountants (CPA) Canada Handbook—Accounting.

#### b) Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term highly liquid investments, such as pooled money market funds, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes of value.

#### c) Computer systems and other assets

Computer systems and other assets are classified into four categories:

- Major business application software consists of the Corporation's pension administrative systems, financial systems, and websites
- Computer systems include the Corporation's servers, networking systems, and computer hardware and software
- Furniture consists of the Corporation's furniture and other miscellaneous equipment
- Tenant improvements include changes and improvements to current accommodations

Notes to the financial statements for the year ended March 31, 2024

(\$ thousands except as otherwise noted)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In determining the total cost of computer systems and other assets, the following criteria are applied:

- Computer systems and other assets acquired or constructed are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets; the cost includes overhead directly attributable to construction
- Salaries and benefits costs incurred directly in the development, improvement, betterment or implementation of computer systems or other assets are recorded at cost

Computer systems and other assets under development are not amortized until the project is completed and implemented, and the asset is ready for use.

Computer systems and other assets are adjusted to fair value or replacement cost when conditions indicate they no longer contribute to the ability of the Corporation to provide services, or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The adjustments are accounted for as expenses in the statement of operations.

The cost, less residual value, of computer systems and other assets is amortized on a straightline basis over the estimated useful life of the asset. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful lives for computer systems and other assets are as follows:

Major business application software	3 to 10 years
Computer systems	3 to 5 years
Furniture	10 years
Tenant improvements	5 to 10 years

Or over the term of the underlying lease, whichever is shorter.

#### d) Capital lease

Leases, where substantially all of the benefits and risk of ownership rest with the Corporation, are accounted for as capital leases. Assets held under capital leases are initially recognized as assets at their fair value at the inception of the lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation to produce a constant periodic rate of interest on the remaining balance of the liability.

#### e) Revenue recognition

The Corporation receives cash funding in advance from the pension plans that receive services from the Corporation. Service revenue is recognized as operating expenses are incurred and as assets are amortized. The Corporation defers capital funding received in advance for computer systems and other asset purchases. This deferred capital funding is recognized as service revenue on the same basis as the related assets are amortized. Investment income is recorded on an accrual basis.

(\$ thousands except as otherwise noted)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### f) Foreign currency translation

Transactions denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction date. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect year-end exchange rates at the statement of financial position date. Any resulting exchange gains and losses are included in the determination of income.

#### g) Employee pension plan

The Corporation and its employees contribute to a multi-employer contributory defined benefit pension plan. Defined contribution plan accounting is applied, as the pension plan exposes current participating organizations to actuarial risks associated with employees of current and former participating organizations, with the result that there is no consistent and reliable basis for allocating the pension plan obligation, assets or cost to individual participating organizations in the pension plan.

#### h) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for NFPOs, requires management to make estimates and assumptions that affect the reported amounts on the statement of financial position and statement of operations at the date on the financial statements. Actual results could differ from these estimates. The significant area requiring the use of management estimates relates to the estimated useful lives and impairment of computer systems and other assets.

#### I) Internally restricted net assets

Non-statutory plans will be assigned a negotiated charge for intangible assets and long-term infrastructure costs. Funds generated from this charge will be held as internally restricted net assets and used to improve service and/or operational excellence.

#### 4. CASH AND CASH EQUIVALENTS

Cash equivalents consist of direct ownership in units of pooled investment portfolios managed by British Columbia Investment Management Corporation (BCI). Each unit gives its holder a proportionate share in the value of the net assets of the pooled investment portfolio. The pooled investment portfolios consist of Canadian money market securities, such as financial, government and corporate commercial paper. These investments are recorded at fair value.

	2024	2023
Cash	\$ 2,317	\$ 1,077
Cash equivalents	10,275	12,012
	\$ 12,592	\$ 13,089

#### **British Columbia Pension Corporation**

Notes to the financial statements for the year ended March 31, 2024

(\$ thousands except as otherwise noted)

#### 5. DUE FROM PENSION PLANS

Due from pension plans represents total charges to pension plans less operating and capital funding received as follows:

	2024	2023
Beginning balance, due from pension plans	\$ 4,188	\$ 5,204
Total charges to pension plans for:		
Benefit administration services (note 12)	100,036	91,076
Pension boards' secretariat services (note 13)	3,379	2,977
Operating funding received	(87,253)	(82,011)
Deferred capital funding received	(16,118)	(13,058)
Ending balance, due from pension plans	\$ 4,232	\$ 4,188
Comprised of:		
Municipal Pension Plan	\$ 2,983	\$ 2,849
Public Service Pension Plan	1,002	884
Teachers' Pension Plan	481	467
College Pension Plan	(85)	111
WorkSafeBC Pension Plan	(79)	(79)
Municipal Retiree Benefit Trust	(70)	(44)
Due from pension plans	\$ 4,232	\$ 4,188

#### 6. COMPUTER SYSTEMS AND OTHER ASSETS

	2024					2023
	Cost	Accumulated amortization	Ν	let book value	ſ	Net book value
Intangible assets						
Major business application	\$ 113,310	\$ (77,971)	\$	35,339	\$	24,544
Tangible assets						
Computer systems	\$ 19,526	\$ (17,824)	\$	1,702	\$	2,731
Furniture	5,583	(4,701)		882		1,274
Tenant improvements	3,870	(2,800)		1,070		1,285
Computer systems under capital lease	4,668	(4,668)		_		271
Total tangible assets	\$ 33,647	\$ (29,993)	\$	3,654	\$	5,561
Total	\$ 146,957	\$ (107,964)	\$	38,993	\$	30,105

Notes to the financial statements for the year ended March 31, 2024

(\$ thousands except as otherwise noted)

#### 6. COMPUTER SYSTEMS AND OTHER ASSETS (CONTINUED)

The Corporation has entered into a contract for the provision of services to maintain and manage its data centre operations (note 10b). Under the agreement, assets purchased for use in the data centre are held in the name of the service provider and can be either funded directly by the Corporation or by way of lease with a third party (note 8). The assets are dedicated to the provision of services to the Corporation, and the Corporation has the option to take possession of the assets on termination of the master agreement with the service provider.

Funding obtained from the pension plans to acquire capital assets are recorded as unamortized deferred capital funding. The recovery of costs is recognized on the same basis as the capital assets are amortized.

#### 7. ACCRUED SALARIES AND BENEFITS

	20	24	2023
Accrued salaries and benefits Leave liability	\$ 7,1 3,2	•	6,613 2,794
	\$ 10,4	05 \$	9,407

Accrued salaries and benefits are due to the BC Provincial Government Public Service Agency which administers payroll for the Corporation. Leave liability primarily consists of vacation earned but not yet taken.

#### 8. OBLIGATIONS UNDER LEASE

The Corporation terminated its lease agreement, which was established in fiscal year 2014 to finance a data centre transformation and related computer systems equipment. The leases had five-year terms, with interest rates ranging from 4.0% to 5.0%. During this fiscal year, the total lease obligation was fulfilled as follows:

For the year ending March 31	2024	2023
2024	\$ -	\$ 224
2025	_	91
	-	315
Amount representing interest	_	(9)
Obligation	\$ _	\$ 306
Current portion	-	216
Non-current portion	-	90
Opening balance, obligations under lease	\$ 306	\$ 518
Additions	-	-
Less: principal payments	(306)	(212)
Closing balance, obligations under lease	\$ _	\$ 306

#### **British Columbia Pension Corporation**

Notes to the financial statements for the year ended March 31, 2024

(\$ thousands except as otherwise noted)

#### 9. DEFERRED CAPITAL FUNDING

	2024	2023
Opening balance	\$ 29,799	\$ 22,918
Computer systems and other assets additions	15,812	12,846
Net changes in obligations under lease	306	212
Capital funding received	16,118	13,058
Amount amortized into revenue	(6,924)	(6,177)
Ending balance	\$ 38,993	\$ 29,799

#### **10. COMMITMENTS**

#### a) Contractual obligations—operating lease commitments

The Corporation has two primary locations with minimum future lease payments under leases as follows:

For the year ending March 31	Lease total
2025	\$ 4,257
2026	4,290
2027	4,315
2028	4,328
	\$ 17,190

#### b) Contractual obligations—data centre operations

In fiscal 2014, the Corporation entered into a contract for the provision of services to maintain and manage its data centre operations. The terms of the agreement fall within the master agreement that the service provider has negotiated with the Province.

A new amending agreement was signed to extend the initial term data centre services for a period of five years expiring on March 31, 2029. Projected contract costs are as follows:

For the year ending March 31	 t services vdown	Data co	entre services	Total
2025	\$ 10	\$	108	\$ 118
2026	10		112	122
2027	10		116	126
2028	10		120	130
2029	10		121	131
	\$ 50	\$	577	\$ 627

#### (\$ thousands except as otherwise noted)

#### **10. COMMITMENTS (CONTINUED)**

#### c) Contractual IT obligations—other contracts and commitments

The Corporation has committed to \$1.2 million (2023: \$1.7 million) for various IT services, software licences, maintenance fees and other cloud applications on April 1, 2024, most of these obligations are ending on March 31, 2025.

#### **11. CONTINGENT LIABILITIES**

From time to time, the Corporation is named in litigation in the normal course of providing benefit administration services to pension plans. Management has evaluated all outstanding claims and believes that the outcomes of any claims are preliminary and not determinable, and accordingly believes that no provision is required in the financial statements for legal claims.

#### **12. PENSION SERVICES**

The Corporation's pension services consist of charges to the pension plans for the Corporation's operating expenses, and computer systems and other asset purchases, less capital funding received, plus amortization of deferred capital funding.

	2024	2023
Total charges to pension plans for benefit administration	\$ 100,036	\$ 91,076
services and purchase of assets; see (a) below		
Purchase of computer systems and other assets	(15,756)	(12,846)
Lease obligation funding received, net of disposals	(306)	(212)
	83,974	78,018
Capital funding recognized as service revenue:		
Amortization of deferred capital funding	6,924	6,177
Total benefit administration	90,898	84,195
Intangible assets and long-term infrastructure charge	57	53
Total pension services	\$ 90,955	\$ 84,248
(a) Total charges to pension plans for benefit		
administration services:		
Municipal Pension Plan	\$ 56,059	\$ 50,613
Public Service Pension Plan	20,900	19,216
Teachers' Pension Plan	15,014	13,952
College Pension Plan	5,100	4,621
WorkSafeBC Pension Plan	1,389	1,189
Municipal Retiree Benefit Trust	1,574	1,485
	\$ 100,036	\$ 91,076

Notes to the financial statements for the year ended March 31, 2024

(\$ thousands except as otherwise noted)

#### **13. PENSION BOARDS' SECRETARIAT SERVICES**

The Corporation's pension boards' secretariat services consist of charges to the pension plans for the pension boards' secretariat operating and computer systems, and other asset purchases, less capital funding received. Pension boards directly approve the pension boards' secretariat operating and capital expenditure budgets, which the Corporation recovers.

	2024	2023
Municipal Pension Plan	\$ 1,906	\$ 1,771
Public Service Pension Plan	481	398
Teachers' Pension Plan	481	397
College Pension Plan	511	411
Total secretariat services	3,379	2,977
Purchase of computer systems and other assets	(56)	-
Total charges to pension plans for pension boards'		
secretariat support services	\$ 3,323	\$ 2,977

#### **14. INVESTMENT INCOME**

	2024	2023
Interest from cash	\$ 79	\$ 33
Interest from cash equivalents	875	547
	\$ 954	\$ 580

#### **15. OTHER EXPENSES**

	2024	2023
Communication products and distribution	\$ 1,037	\$ 1,319
Travel and business expenses	680	637
Staff training	543	425
Office supplies	254	334
Bank charges and regulatory fees	488	473
Insurance	374	385
Corporate board	107	103
Lease financing	8	17
	\$ 3,491	\$ 3,693

(\$ thousands except as otherwise noted)

#### **16. EMPLOYEES' PENSION PLAN AND RETIREMENT BENEFITS**

The Corporation and its employees contribute to the Public Service Pension Plan (plan), a jointly trusteed pension plan. The plan is a multi-employer contributory defined benefit pension plan.

Members pay a contribution rate of 8.35% of salaries, and employers pay 9.85% of members' salaries. Employee and Corporation contributions include 1.25% and 2.75% of salaries, respectively, to fund contingent benefits such as future pension indexing and retired member group benefits that are subject to the availability of specified funding arrangements.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4.5 billion for basic pension benefits. The plan does not attribute surplus or unfunded liability to individual employers; however, valuation results are used to determine future contribution rates.

As at March 31, 2024, the Corporation has approximately 681 (2023: 661) employees contributing to the plan, which has approximately 71,000 active plan members and 55,300 retired plan members.

In 2024, the Corporation paid \$5.4 million (2023: \$4.9 million) for employer contributions to the plan. Employer contributions to the plan are included in salaries and benefits and represent the amount of pension expense for the year.

Employees are entitled to specific retirement benefits, and the cost of these future benefits is included in salaries and benefits expense as well.

#### **17. RELATED PARTY TRANSACTIONS**

The College, Municipal, Public Service and Teachers' pension plans and BCI are related parties to the Corporation. The pension boards appoint members to the corporate board, and the Corporation provides services to the pension plans. These transactions are in the normal course of operations and consist of the recovery of the Corporation's operating expenses, and computer systems and other asset purchases.

The Corporation engages in transactions with the Province. These transactions are considered to be in the normal course of operations and include some limited supporting services: payroll, building occupancy and some information technology support services. Included in accounts payable and accrued salaries and benefits is \$16.0 million (2023: \$16.4 million) due to the Province of BC.

#### **18. FINANCIAL INSTRUMENTS**

The Corporation's financial instruments recorded at amortized cost consist of cash; accounts receivable, including due from pension plans; accounts payable; accrued salaries and benefits. The fair value of these financial instruments approximates their carrying values.

Cash equivalents are recorded at fair value using current market yields held in a pooled investment fund managed by BCI and regularly monitored by management. Risks associated with financial instruments include market risk, credit risk and liquidity risk.

(\$ thousands except as otherwise noted)

#### **18. FINANCIAL INSTRUMENTS (CONTINUED)**

Fair value measurements of the investment assets and liabilities are based on inputs from one or more levels of a fair value hierarchy. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities. The three levels of the fair value hierarchy are:

- Level 1—Inputs that are unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2—Inputs other than unadjusted quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3—Inputs that are not based on observable market data

Cash equivalents, which total \$10.3 million, are classified as level 1 (2023: \$12.0 million as level 1).

The Corporation's other financial instruments, which are carried at amortized costs, are classified as level 2 as, while quoted prices are available, there is no active market for these instruments.

Market risk is the risk that the fair values of an investment will fluctuate as a result of changes in market conditions. Market risk is composed of foreign currency risk, interest rate risk and price risk. Market risk is minimal as all investments are short term.

Credit risk is the risk that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit risk is managed for investments by establishing specific investment criteria, such as minimum credit ratings for investees.

The majority of cash equivalents held within pooled investment portfolios have a credit rating of AAA/AA, as defined by the Standard & Poor's rating agency. Obligations rated AAA/AA have the highest rating assigned in such cases. The lender's capacity to meet its financial commitment on the obligation is very strong. The credit risk associated with the receivable from pension plans is minimal.

Liquidity risk is the risk of not being able to meet the Corporation's cash requirements in a timely and cost-effective manner. The Corporation's financial investments consist of highly liquid cash and units in money market funds. The Corporation forecasts its cash requirements over the near term to determine whether sufficient funds are available to meet forecast expenditures. The Corporation's primary source of liquidity is amounts charged to pension plans. The Corporation has a short-term unsecured bank facility of up to \$1.5 million in place should it be required to meet temporary fluctuations in cash requirements. As at fiscal 2024 (2023: nil), the bank facility had not been drawn upon. The Corporation's year-end. The terms of the obligations under lease are described in note 8.

It is management's opinion that the Corporation is not exposed to significant risks arising from financial instruments.

#### **19. STATUTORY DEDUCTIONS ASSURANCE**

The BC Public Service Agency confirms that all payroll remittances for the Corporation for the period April 1, 2023 to March 31, 2024, were submitted on time.