

PENSION  
CORPORATION  
BRITISH COLUMBIA

# STRATEGIC PLAN

2007/08–2011/12



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## Our Vision

# ***Your Pension Experience***

***...we make it **easy!*****

***Service You Trust***

***Great Value***

***People Who Care***

PENSION  
CORPORATION



# Mission

The British Columbia Pension Corporation is a non-profit agent of the College, Municipal, Public Service and Teachers’ Pension Boards of Trustees. It provides professional pension administration services on behalf of the pension boards of trustees, and their plan members and employers.

Values

❖ Spirit ❖ Teamwork ❖ Accountability

❖ Integrity ❖ Respect

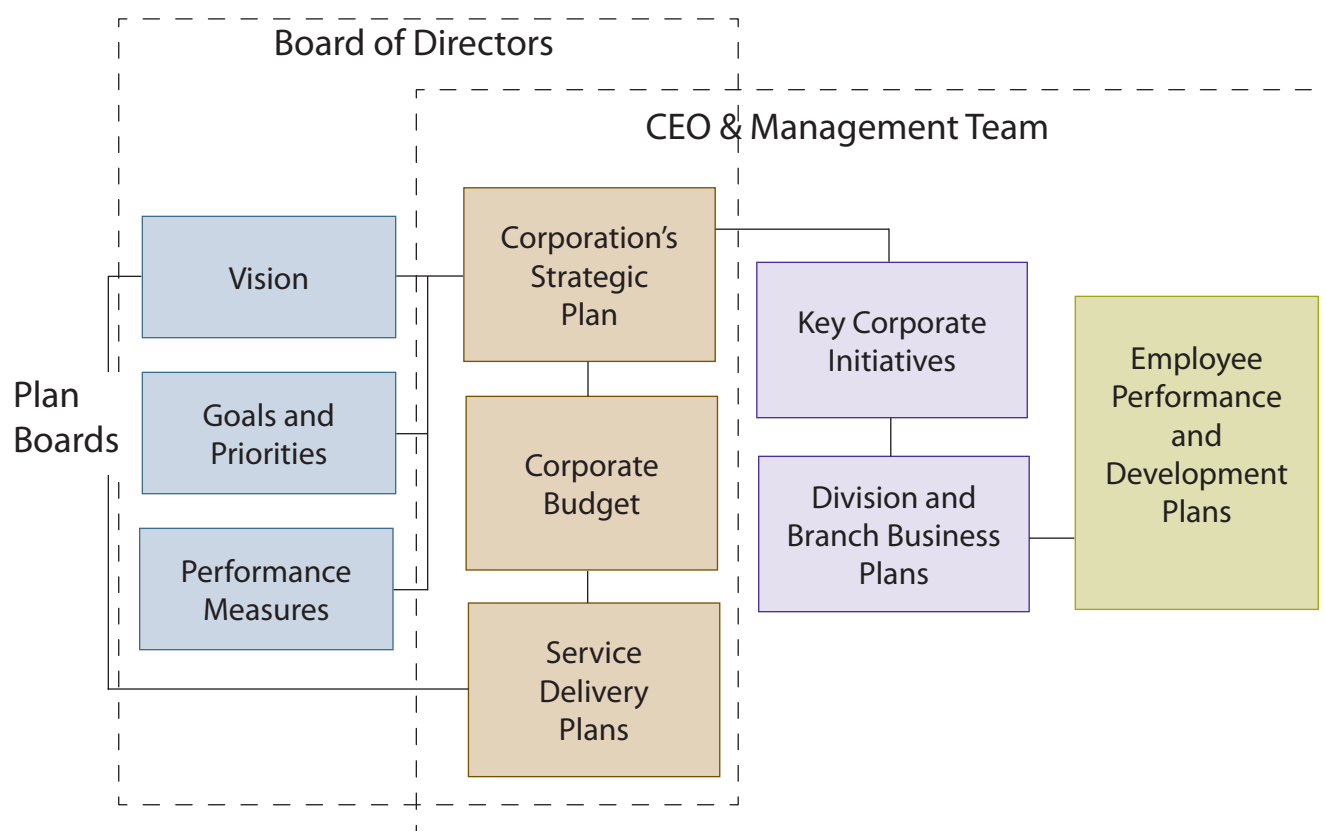
Operating Principles	
Principles	How We Will Achieve Them
Maximize value for money	Operate in a cost-effective, ‘risk smart’, financially prudent manner
Listen to our clients	Solicit input, direction, advice and criticism and act on it
Maintain confidentiality	Protect the privacy of plan members
Promote simplicity	Provide products and services that are simple and easy to understand
Look to the future	Be dynamic, proactive and focused
Leverage best practices	Work with our clients to continuously improve our service delivery
Keep our promises	Live up to our commitments

# Strategic Planning Context

The board of directors sets the overall strategic direction for the management of the corporation. The Chief Executive Officer and the management team are responsible for carrying out that strategic direction.

This plan includes the results of the collaborative development of customized five-year service delivery plans with our clients, each of the pension boards of trustees. The plan supports existing services and introduces a number of new services to be developed and implemented over the five-year time frame.

## Our Planning Framework



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## Board Chair and CEO Message

We are pleased to present our five-year strategic plan. This plan provides the strategic framework in which we operate—our vision, mission, values and principles.

During the previous three years, the Pension Corporation focused on improving service, reducing costs, and increasing satisfaction. Despite significant increases in service volumes, we managed to meet or exceed almost all service targets and standards. We concentrated on streamlining, simplifying and making the pension experience easier for plan members and employers.

Over the next five years we will focus on maintaining effective relationships with each of the pension boards of trustees that we serve. We will provide exceptional service customized to the needs of each pension plan, while ensuring value for dollars. We will regularly validate our services and products with the appropriate audiences to make sure that we hit the mark.

The next five years will also be about leveraging technology. The computer system that supports retired members needs to be replaced, as it is reaching the end of its useful life. This is a significant undertaking and we intend to implement a new system by the end of this five-year timeframe.

Our goals are achievable because of the commitment of one amazing group of people—our employees. They are our most valuable resource. We will continue to recognize their achievements, provide learning opportunities and ensure a positive and productive work environment, in keeping with our ongoing commitment to high employee satisfaction. Over the next five years we will focus on succession planning, ensuring consistency in service excellence.



Wayne Jefferson  
Chair, Board of Directors



Gail Stephens  
Chief Executive Officer



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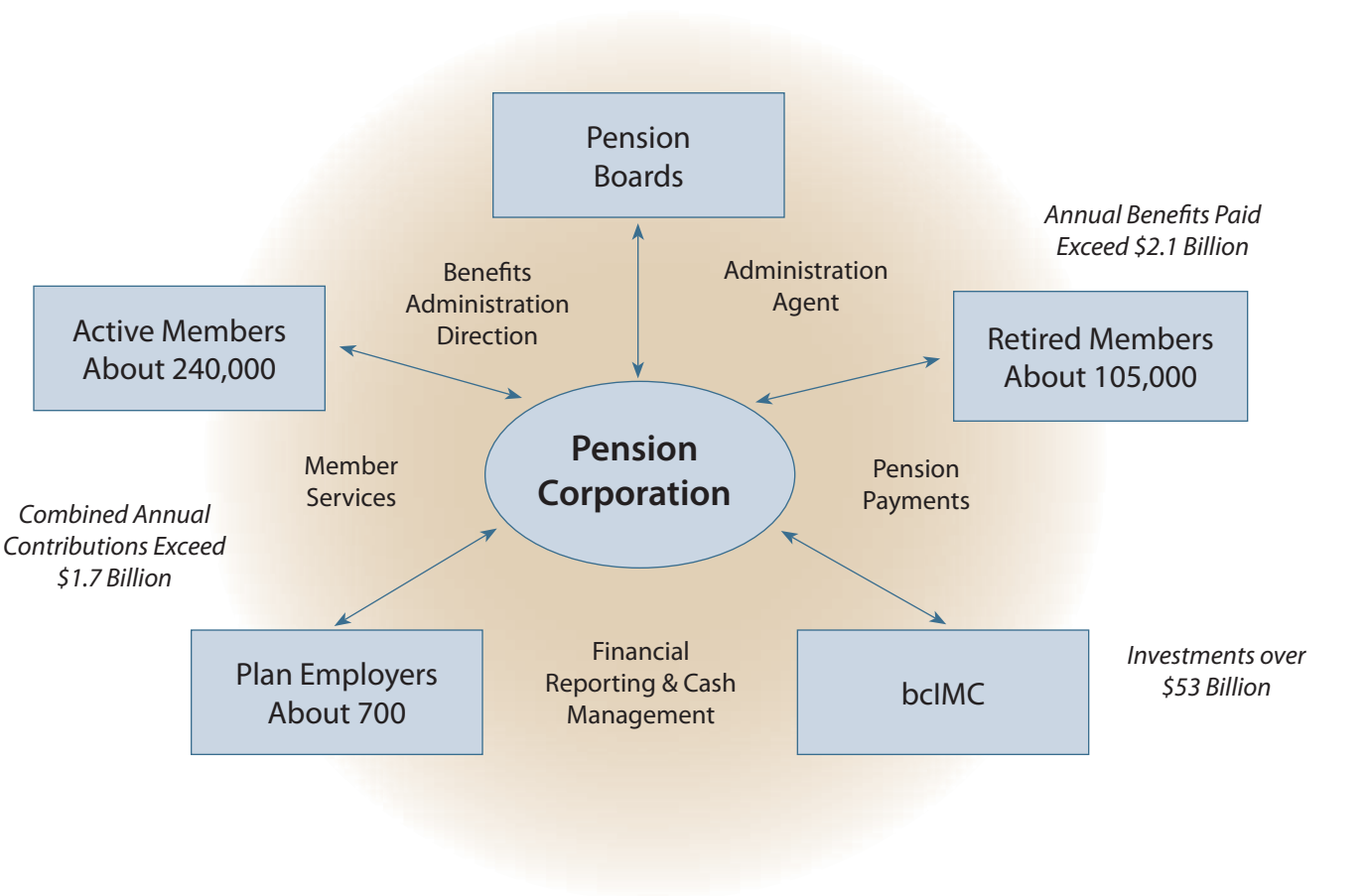


# Corporate Overview

The British Columbia Pension Corporation is one of the largest pension benefit administrators in Canada. We provide professional pension administration services as an agent to the College, Municipal, Public Service and Teachers' Pension Boards of Trustees. We also provide services to other British Columbia public sector pension clients. The British Columbia Investment Management Corporation (bcIMC) provides investment management services as an agent of the pension boards.

The corporation is governed by an eight-member board of directors. Two trustees from each of the four major public sector plans are appointed to the board of directors, one plan member and one employer member, for a three-year term.

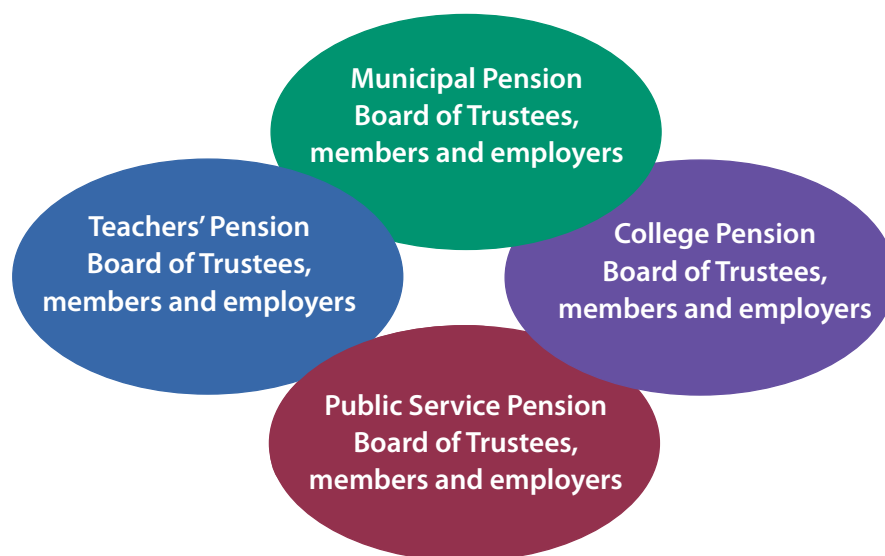
From our offices in Victoria, our team of close to 400 professionals serves the needs of our clients, the pension boards of trustees, and their members and employers.



*Membership and financial numbers are based on statistics as at each plan's most recent plan annual report when the Corporate Strategic Plan was prepared.*

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## Our Clients



## Our Services on Behalf of the Pension Boards of Trustees

On behalf of the pension boards of trustees, we provide comprehensive pension administration services. **Basic Services** involve or support direct service delivery to plan members and employers, and the ongoing collection of data and contributions to enable benefit administration. **Other Services** are directly related to the governance of the pension plans and the boards of trustees.

### Basic Services include:

- enrolling plan members and employers,
- communicating benefit entitlements and plan requirements,
- delivering member and employer information and education,
- collecting member data for benefit entitlements,
- collecting contribution funding,
- calculating and paying pension benefits, including purchases of service and transfers from other pension plans, and
- managing group benefit contracts and programs available to retired members.

### Other Services include:

- preparing plan financial and regulatory reporting,
- plan design and policy services, and
- communications design services.



# Business Context

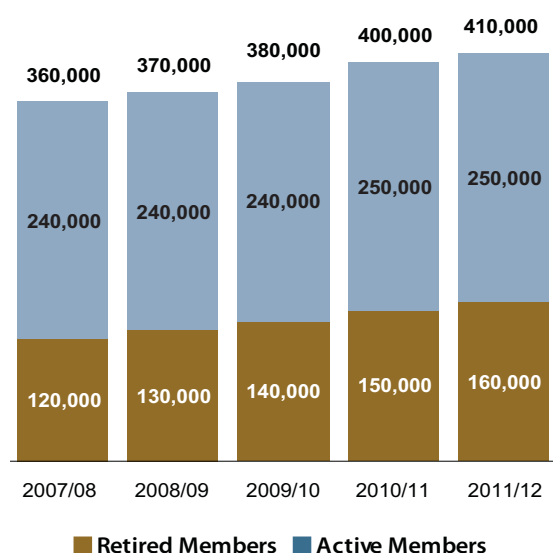
For the past three years, the corporation, on behalf of the pension boards, focused on improving service response and reducing costs in an environment of increased service volume. The corporation met the challenge of increased pension activity, as well as high purchase volumes arising from contribution rate increases and the closing of an historical purchase of service window. We concentrated on streamlining and making the pension experience easier for members and employers, and we launched a number of new online services.

For the next five years, we will continue to focus on service excellence and on providing value to the pension boards for every dollar spent. We begin this five-year plan with high pension board, plan member and employer satisfaction.

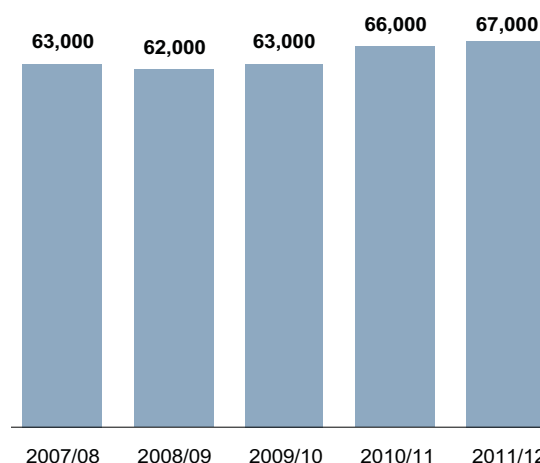
Some key business drivers and trends expected over the next five years include:

- Continuing to sustain effective relationships with all of the pension boards and being responsive to their needs is very important. Three of the pension boards are also considering a new model for board governance and it will be important for the corporation to support and assist those boards in transition.
- A large number of baby boomers will retire, resulting in increased pension estimate and retirement activity and 40,000 more retired members being served across all of the pension plans (a 33 per cent increase). Retired members will also increase as a percentage of overall membership.
- Purchase of service activity will be significantly less than it has been in recent years, with the March 31, 2007 closing of the historical purchase of service window in all the major plans.

### Membership Forecast



### Total Key Service Request Demand Forecast



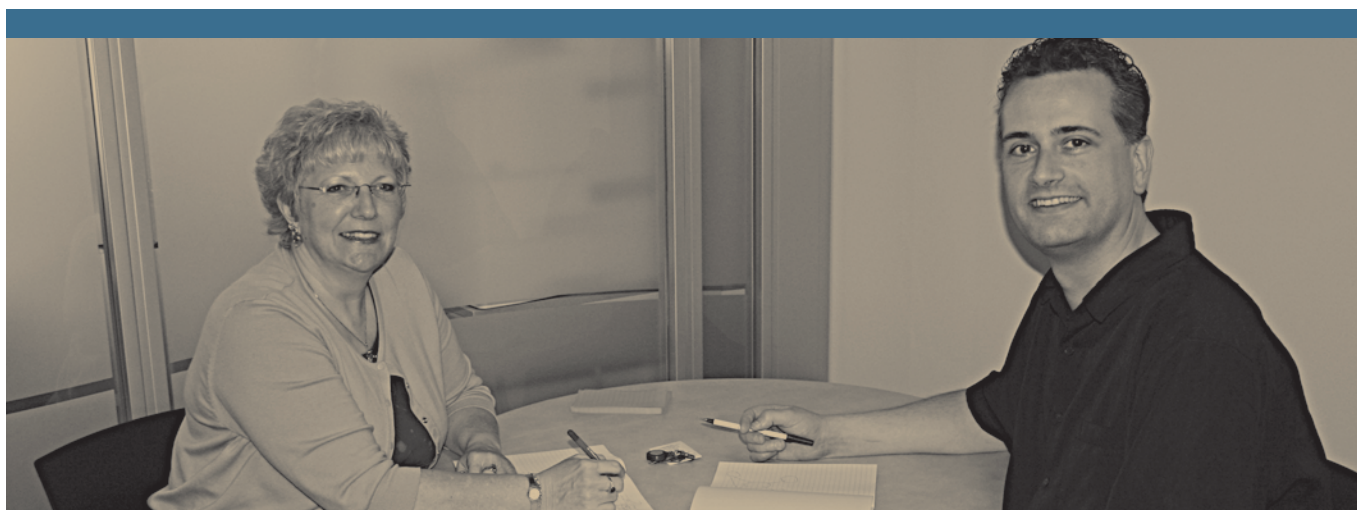
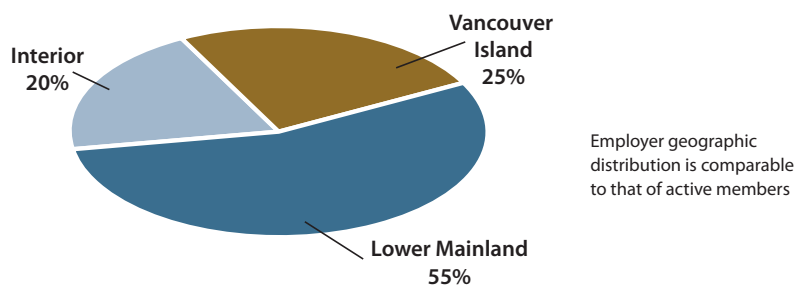
Key services: pension termination, reciprocal transfer, and purchase of service cost quote service requests.

## Business Context continued

- Customized and expanded plan member education and information programs, on behalf of the pension boards, will be a major focus.
- Plan members will increasingly use online and other self-help tools to obtain basic pension information, while telephone enquiries will shift to more complex matters concerning pension benefits.
- Effective use of technology and the timely replacement of outdated technology will be key to supporting service excellence now and into the future (e.g., the replacement of the retired member system will occur in the next five years).
- Succession planning and staff training and development will be critical, with the expectation of increased retirement of the corporation's own workforce.

Throughout the five years we will continuously monitor industry and demographic trends, as well as assess service demand and expectations through a variety of approaches such as stakeholder forums, surveys and focus-testing.

### Geographic Distribution of Active Members



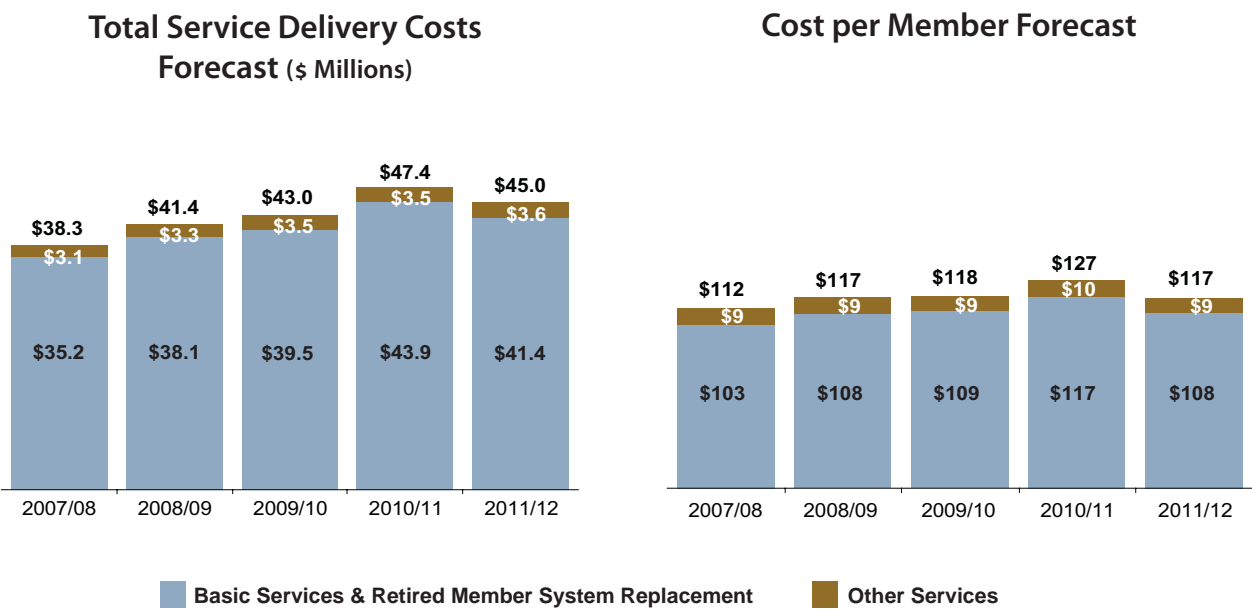
# Service Delivery Costs

The corporation operates on a cost-recovery basis. To determine service costs for each pension plan, we use an equitable fee policy, based on the principle of user pay. Each pension board of trustees approves its share of relevant costs, as part of the corporation’s service delivery planning and budget development process. The pension funds pay for operating expenses and the corporation’s capital asset expenditures. The corporation only seeks funds as needed. If the cost of service delivery is less than budgeted, cost savings are passed directly on to the plans.

Service Delivery Costs by Pension Plan are shown in Appendix B.

Total service delivery costs for all pension plans served are **\$38.3 million** (an average of **\$112** per member) for the first year of this five-year plan (April 2007 to March 2008). We are committed to providing value for every trust dollar spent. The corporation’s cost per member is highly competitive when benchmarked against Canadian and international peers.

This five-year plan provides a basis for sustainable, high-quality service now and into the future. The plan also supports needed system replacements.



2007/08 cost targets are based on actual membership. Actual costs and cost per member beyond 2007/08 will vary as a result of differences between actual and forecast numbers.

# Balanced Scorecard – Objectives and Strategies

<b>CLIENT</b> <i>Service You Trust, People Who Care</i>	<b>Objective 1 Maintain Effective Relationships with Pension Boards of Trustees</b>
	<b>We will</b> <ul style="list-style-type: none"><li>✓ Meet trustee satisfaction targets for each pension board of trustees</li><li>✓ Sustain effective relationships with each pension board of trustees and support those in transition to new board governance models</li><li>✓ Solicit input, direction, advice and be responsive to pension board needs</li><li>✓ Maintain and enhance the quality of board materials</li></ul>
	<b>Objective 2 Provide High Quality Service</b>
	<b>We will</b> <ul style="list-style-type: none"><li>✓ Meet or exceed the client satisfaction targets and service standards approved by each pension board of trustees</li><li>✓ Seek client feedback and validate needs for services, products and processes in all that we do, externally and internally</li><li>✓ Replace the computer system that supports retired members</li><li>✓ Develop and implement enhanced member and employer communications and education programs</li><li>✓ Continue to enhance and expand external web services</li><li>✓ Continue business continuity planning</li></ul>
	<b>Objective 3 Provide Cost-Effective Service</b>
	<b>We will</b> <ul style="list-style-type: none"><li>✓ Meet the financial performance targets approved by each pension board of trustees</li><li>✓ Benchmark our costs to international and national peers</li><li>✓ Participate in best practice reviews</li><li>✓ Streamline corporate records management processes</li><li>✓ Redesign the corporate intranet</li><li>✓ Leverage data and voice technology to support service delivery</li></ul>
	<b>Objective 4 Attract and Retain Great People</b>
	<b>We will</b> <ul style="list-style-type: none"><li>✓ Develop staff through education and training to support new and existing service delivery programs</li><li>✓ Continue to focus on employee performance and development planning</li><li>✓ Continue to develop and implement strategies in response to employee surveys</li><li>✓ Implement succession management plans</li><li>✓ Build upon existing leadership development programs</li><li>✓ Recognize and celebrate corporate, team, and individual successes</li><li>✓ Pursue greater independence over human resource practices</li><li>✓ Publicly profile the corporation</li></ul>

## Balanced Scorecard – Performance Standards

Performance Standards	Target 2007/08 – 2011/12
<p>Percentage of trustees who are satisfied or very satisfied</p> <ul style="list-style-type: none"> <li>■ College Pension Plan</li> <li>■ Municipal Pension Plan</li> <li>■ Public Service Pension Plan</li> <li>■ Teachers' Pension Plan</li> </ul>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p>
Performance Standards	Target 2007/08 – 2011/12
<p>Meet or exceed service standards approved by each pension board of trustees</p> <p>Percentage of members and employers who are satisfied or very satisfied</p> <ul style="list-style-type: none"> <li>■ Active plan members</li> <li>■ Recently retired plan members</li> <li>■ Retired members</li> <li>■ Employers</li> </ul>	<p>Yes</p> <p>85%</p> <p>90%</p> <p>90%</p> <p>90%</p>
Performance Standards	Target 2007/08 – 2011/12
<p>Meet financial performance targets as approved for each pension plan board of trustees</p> <p>Maintain competitive benchmarking results</p> <p>2007/08 average cost per member target</p>	<p>Yes</p> <p>Yes</p> <p>\$112</p>
Performance Standards	Target 2007/08 – 2011/12
<p>Percentage of our employees who are satisfied or very satisfied working for the corporation</p>	<p>75%</p>

# Appendix A - Service Standards

Service	Measure	Performance Standard 2007/08-2011/12
Timeliness of Pension Estimates	Time from receipt of request to estimate sent	95% within 14 days* AND 100% within 28 days
Timeliness of First Pension	% of first pension payments on time	98% paid in the month following retirement AND 100% within 14 days of on-time standard
Timeliness of Monthly Pensions	% of monthly pensions paid on time	100% paid when due, at the end of each month
Timeliness of Termination Options	Time from receipt of notice to termination letter sent	95% within 2 business days AND 100% within 4 business days
	Time from receipt of application to termination benefit options sent	95% within 14 days AND 100% within 28 days
Timeliness of Purchase of Service Quotes	Time from receipt of request to purchase quote	95% within 21 days AND 100% within 42 days
Timeliness of Response to Written Enquiries	Time from receipt of enquiry to response	95% within 7 days AND 100% within 14 days
Accessibility of Telephone Service	Time in the queue until service representative answers	Maximum average 20 seconds
Accessibility to Web Service	% hours of unscheduled plan website downtime	Maximum 1% unscheduled downtime 6am to midnight

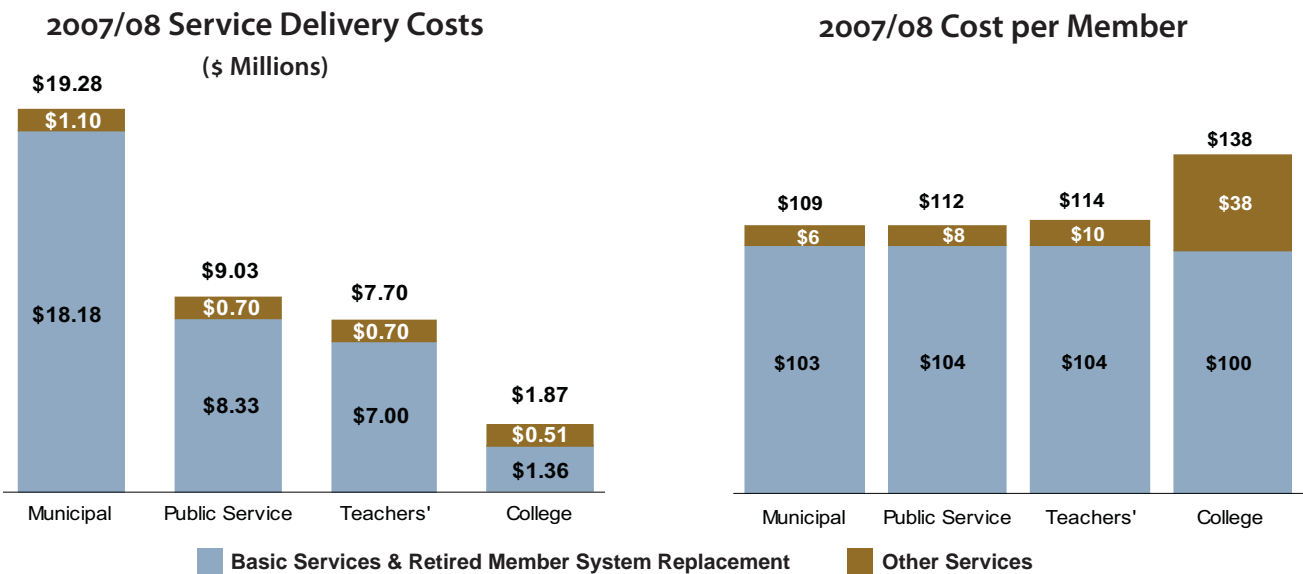
\* "Days" refers to calendar days unless otherwise noted.

These standards represent the majority of performance standards for most pension plans; some standards may differ slightly for individual pension plans.



# Appendix B - Service Delivery Costs by Pension Plan

We provide comparable Basic and Other Services (as described on page 2) to each of the College, Municipal, Public Service and Teachers' pension plans. Membership is the primary basis for allocating the costs of providing Basic Services to these plans. Some of the pension boards have requested some enhanced Basic Services and costs for those services are allocated on a plan specific basis. Costs for Other Services (e.g., Financial, Plan Design and Policy, and Communications Design services) are based on the levels of support provided and, as such, represent our capacity to provide these services. The next five years will also be about leveraging technology. The computer system that supports retired members needs to be replaced, as it is reaching the end of its useful life. This is a significant undertaking and we intend to implement a new system by the end of this five-year timeframe.



2007/08 Costs and Cost per Member are based on actual membership as at each plan's most recent plan annual report statistics available when individual service delivery plans were prepared.

