



BC PENSION  
CORPORATION

# We gained momentum: Our progress in action

2022/23 **Annual Report**



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# Welcome

## CEO message

Our 2022/23 *Annual Report* reflects the shared aspirations and common purpose of all of us at BC Pension Corporation. We aspire to achieve operational excellence, innovate our service offerings and delivery methods, and be an influential voice in the pension industry. In this report, you'll read about the many ways we are pursuing these aspirations. In addition, our culture and the people who make our organization a special place to work are aligned in our purpose to create peace of mind for all those we serve—including plan members, plan employers, boards of trustees and our staff.

I am proud of our amazing team and deeply grateful for their efforts to drive our strategy forward. Every day, staff contribute their energy, expertise and talents in ways that enable us to provide even better service to plan members and employers, and more insights to plan boards.

As you read this report, I am certain you will feel the momentum we have in year two of our strategic plan, *Plan 20/30: Our Future is Insight*. This energy will continue to propel us forward.

On behalf of all staff, I would like to thank our board of directors for their guidance and support. We appreciate the care and attention the board puts into their governance of Pension Corporation.

**Laura Nashman**  
Chief executive officer

# Board chair message

As the current chair of the board of directors, I am pleased to share BC Pension Corporation's 2022/23 *Annual Report*, which highlights the corporation's many accomplishments from the last year.

When the corporation launched its strategic plan, *Plan 20/30: Our Future is Insight*, it set ambitious targets to meet the evolving expectations of plan members, employers and boards of trustees. The board is proud of the significant progress the corporation has made on its objectives, and we commend the effort that has supported this achievement.

In 2022/23, the corporation continued to transform how it delivered service, focusing on operational excellence to streamline work, enhance efficiencies and improve quality in all areas of the business. As strategic partners, the corporation delivered insights and advice to the plan boards to support their direction and growth. Corporation employees cultivated meaningful connections in their hybrid work model and embraced new ways of learning.

On behalf of the board of directors, I would like to thank 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.



**Chan-Seng Lee**

Chair, board of directors

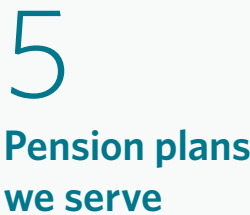
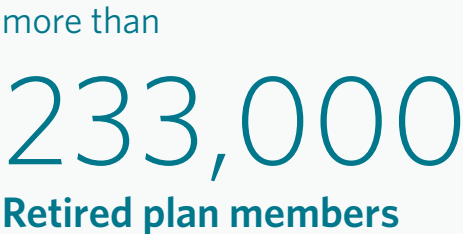
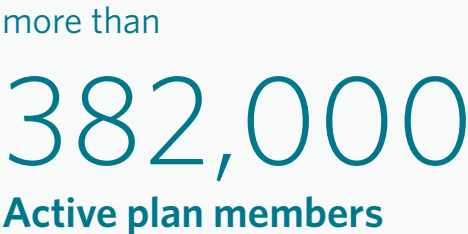
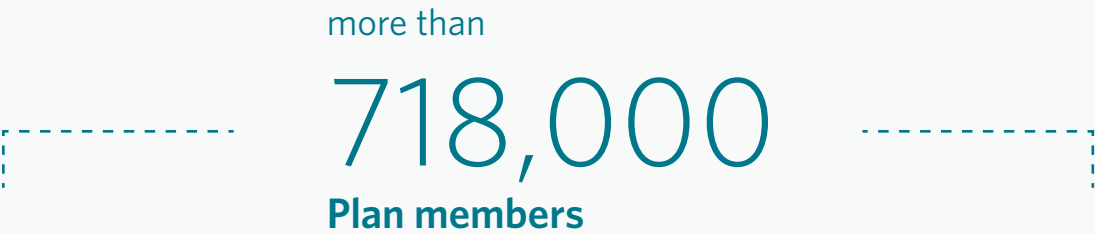
I'd like to thank Liz Baverstock, board chair for fiscal year 2022/23, for her commitment to leading our board and representing the corporation. I look forward to continuing her good work. Thank you, Liz.



# Who we are

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 services.

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





## 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.

# Who we serve

BC Pension Corporation supports five pension plans with over 718,000 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 learn and evolve our approach to meet the changing needs of those we serve.

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

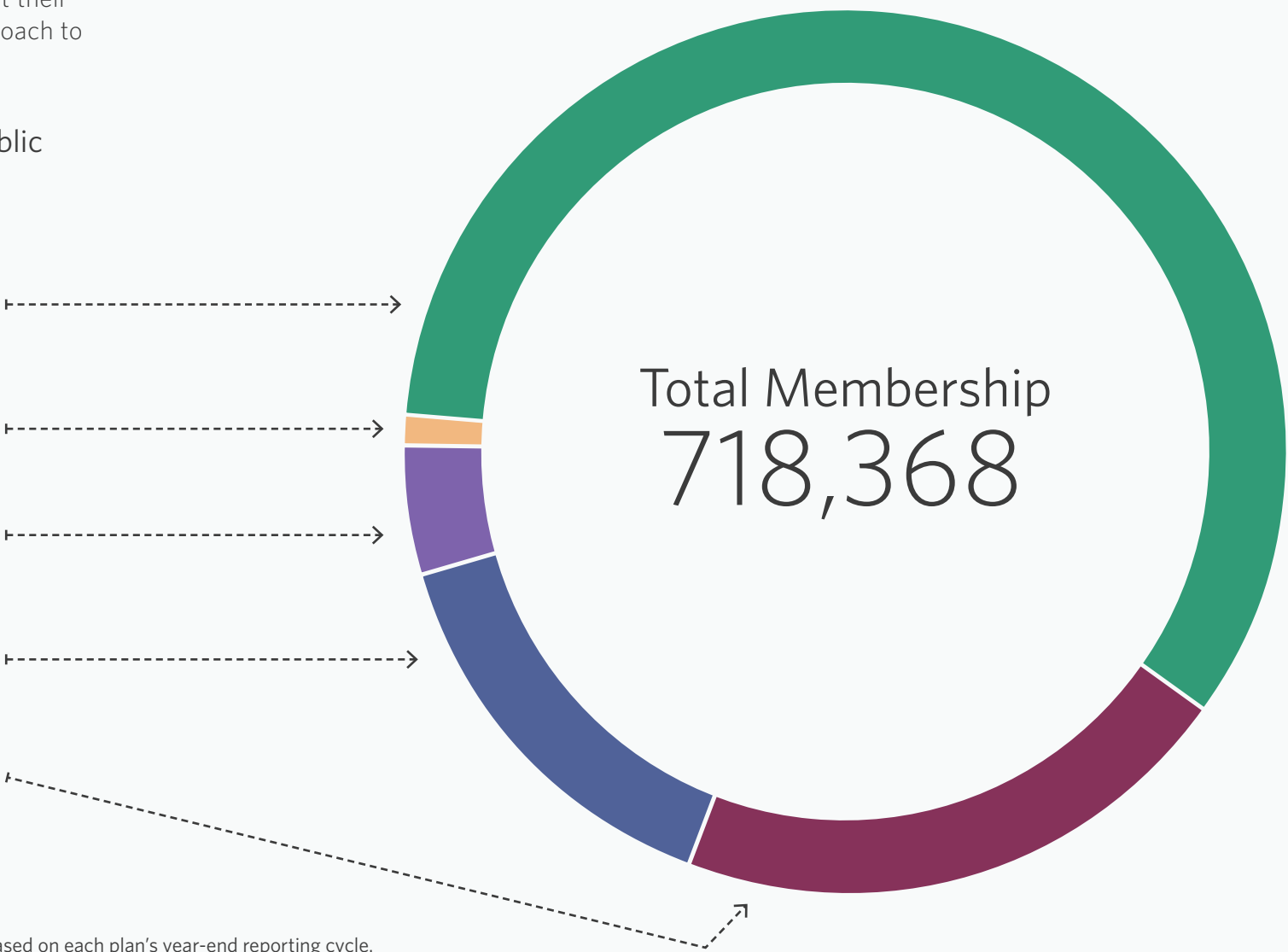
Municipal 421,666  
as of December 31, 2022

WorkSafeBC 6,978  
as of March 31, 2023

College 34,588  
as of August 31, 2022

Teachers’ 104,926  
as of December 31, 2022

Public Service 150,210  
as of March 31, 2023



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

# 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 2022/23 fiscal year:

### College Pension Board of Trustees



Geraldine Hutchings



Cameron McRobb

### Municipal Pension Board of Trustees



Gary Yee



Lucas Corwin

### Public Service Pension Board of Trustees



Chan-Seng Lee,  
Vice-chair



Harpinder Sandhu

### Teachers' Pension Board of Trustees



Elizabeth Baverstock,  
Chair



Cheryl Eason

# 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.



**Laura Nashman**  
Chief executive officer

**Trevor Fedyna**  
Vice-president, Strategy and Insights, and chief financial officer

**Brett Emmerton**  
Vice-president, Information and Technology Services, and chief information officer

**Aaron Walker-Duncan**  
Vice-president, Board and Communication Services

**Joel Levinson**  
Vice-president, Member and Employer Experience

**Erika Taylor**  
Vice-president, People and Culture



## We're a BC Top Employer

BC Pension Corporation was chosen as one of [BC's Top Employers](#) for the fourth year in a row. BC's Top Employers is a special designation that recognizes BC employers who lead their industry as exceptional places to work.

We stand out based on how we put people first. By offering learning and development opportunities, health and wellness programs, flexible work options and a workplace culture where everyone can be themselves, we're able to support people in their career and as individuals.

Understanding what employees need to be supported and perform at their best in a hybrid environment is key to our organizational performance. With a focus on our people and culture we are building a workplace where everyone can achieve their full potential.

## Our CEO is one of BC's most influential leaders

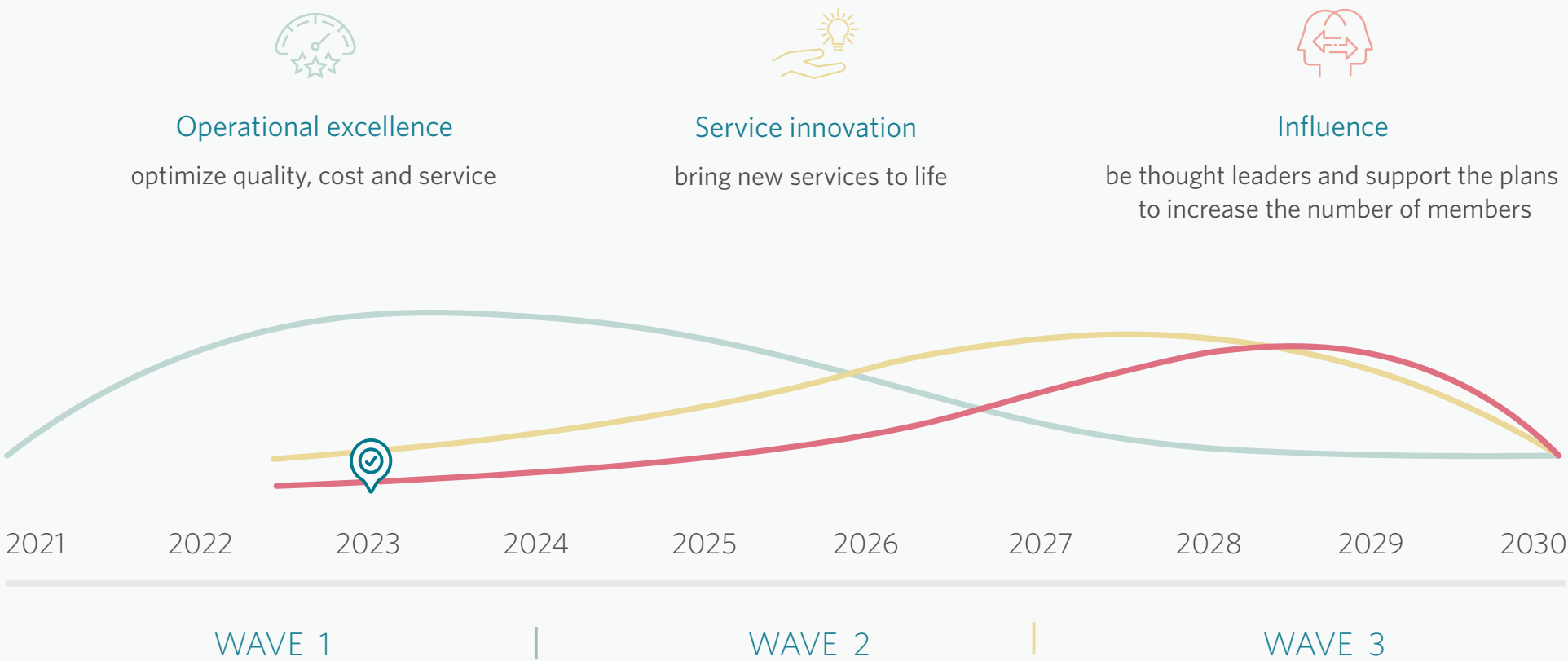
Laura Nashman, chief executive officer, was once again named one of British Columbia's most influential business leaders by [Business in Vancouver](#). The 2022 edition features business leaders who have made a notable impact on BC's communities, industries and economy, and who embody the values of modern leadership—engagement, trust, corporate citizenship, inclusion and innovation. Laura's recognition reflects the forward-thinking culture of the entire Pension Corporation, validates our ongoing efforts toward operational excellence and enhances our status as an employer of choice.

# Our strategic plan in progress

## We gained momentum

In 2022/23, the second year of our strategic plan, *Plan 20|30: Our Future is Insight*, we gained momentum. We realized tangible benefits from our focus on operational excellence and delivered more services than ever before. We deepened our culture of connection and collaboration. We sharpened our vision of the future. Our performance measures show we made significant progress in year two of the Wave 1 plan, and we are on track to achieve our objectives and realize our aspirations by 2030.

Find details of *Plan 20|30* and Wave 1 in our [road map to the future](#).



# How we are performing

We made significant progress in year two of Wave 1, where we set targets that reflect our high levels of past performance and some that push us even further. We are pleased that we achieved or exceeded many of our targets. Of those that were not achieved, we were either reasonably close to them or at our historical norms.

The following snapshot shows the strategic outcomes for each *Plan 20/30* objective, key performance indicators that measure our progress toward the outcomes, our measurement targets and actual results for 2022/23.

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



### Cost per member

Our cost per member of \$138 was better than our target (\$139). This is the total cost to run the organization divided by the number of plan members.



### Privacy and security maturity

Our privacy and maturity score of 3.2 (out of 5.0) exceeded our target (2.8). Our maturity improved through redesigned critical security devices, new advanced phishing protection and better staff awareness of email phishing techniques.



### Organizational performance

Our organizational performance management score of 3.5 (out of 5.0) was better than our target (3.4). The increase is partly due to the enhancement of our training programs and alignment of our training with core competencies and business strategy.



### Pension accuracy

We developed a new measure of the accuracy of member pension payments. Data will be available next year.





## Objective 2: Focus on our people and culture



### Leadership effectiveness

Our leadership effectiveness score of 83.7% exceeded our target (83%). The score reflects the percentage of staff who responded positively to questions about leadership effectiveness in our annual employee experience survey. Our employees have high trust in their direct manager or supervisor when talking about work demands and feel they facilitate positive, supportive conversations.



### Position occupancy rate

Our position occupancy rate of 91.2%, which is the percentage of employee positions filled, was slightly below the target (93.2%) due to current job market challenges and difficulties recruiting for positions that require specialized knowledge, such as IT and finance.



### Workplace culture

Our workplace culture score of 83.4%, taken from our annual employee experience survey, was below our aggressive target (88%). Though we did not reach our high target, scores remain strong and are in line with historical norms.

Objective 3: Elevate the member and employer experience



Member satisfaction

The member satisfaction score of 84.5%, based on members’ feedback about their experience, rose slightly and was below the aggressive target (88.5%). The score is consistent with historical norms, and we are pleased the result demonstrates that members value our services.



Service score

The service score of 64, which is calculated by a benchmarking firm that evaluates service delivery, was below the target (74). Though we successfully decreased wait times and processing times over the past year, there was additional pressure from increased volumes of continuous contribution leaves and terminations that were well above historical norms.



Employer satisfaction

The employer satisfaction score of 83.1%, based on employers’ feedback about their experience, was below the aggressive target (90%). The score is lower than historical norms as plans have required employers to do additional tasks, such as reporting union codes. Employers indicated they are pleased with our new offerings and education enhancements, such as the rollout of the new employer portal, which streamlines the way employers report their information.



Retirement readiness

The measure of retirement readiness is based on feedback members provide on the information they receive to make their retirement decision. The score of 87.7% exceeded our target (80%). Members appreciate the number of resources we make available that help them feel informed.



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



**SDP commitment index**

The service delivery plan (SDP) commitment index shows the percentage of SDP commitments we delivered. The score of 102.3% shows we delivered above our commitments to the plan boards.



**Trustee satisfaction**

The trustee satisfaction score of 4.3 (out of 5.0) was only slightly below our target (4.5), indicating a strong level of overall satisfaction with Pension Corporation. The score is based on plan board feedback on timeliness, quality of products, depth and breadth of our insights, quality of our advice, and overall satisfaction with the services we provide.



**Thought leadership**

The thought leadership score measures the level of insight and thought leadership we provide to our stakeholders and the broader pension and business community. This is a new measure. We achieved a score of 4.4 out of 5.0, which demonstrates that the plan boards are satisfied with the thought leadership we provide.



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

While objective 5, *partner with the plans to increase their membership*, is not a focus during 2021–2024, we continue to partner with plan boards that are interested in plan expansion. Over the past year, we supported MPP, PSPP and CPP with their strategic growth aspirations.

# How we are taking action

We focused on operational excellence to deliver more services than ever before

Operational excellence is the dominant aspiration of *Plan 20/30* Wave 1. Over the past year, operational efficiencies, automation and new services for plan members, plan employers and our employees have increased our ability to address increasing volumes of requests with a more flexible workforce. In all parts of the organization, we continue to improve process efficiency and quality.

## Strengthened our quality and efficiency through automation

Automation improves the quality of our work as well as the experience of staff by eliminating manual, error-prone tasks. We've found more opportunities to automate manual processes, such as separate pension benefits, *Member's Benefit Statement* adjustments, marital breakdown claims, College Pension Plan ineligibility, and special agreements. These automation efforts have increased our efficiency and improved our response times to members and employers.



# Offered plan members more online services

## Introduced online booking of pension planning appointments

Members who are eligible to retire within one year can now schedule a personalized pension planning appointment through the plan website. Within the booking process, members are asked to complete some work to prepare for the appointment. Once the appointment is scheduled, members receive a confirmation email and then a reminder email closer to the date of the appointment. Members can go online and cancel or reschedule their appointment at any time.

## Expanded access to online tools for retiring members

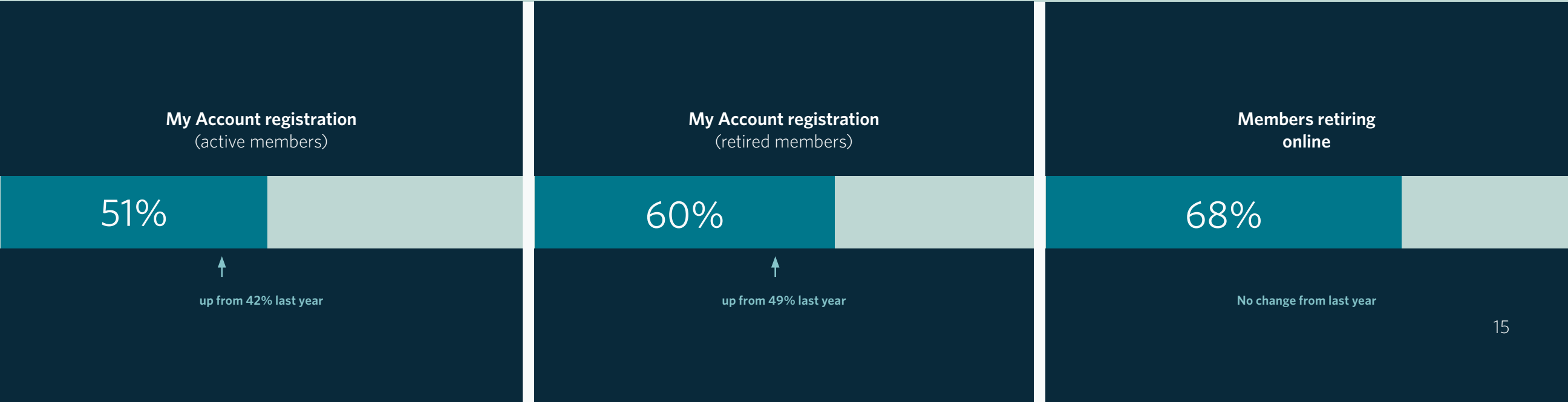
We’ve expanded access to the personalized pension estimator and online retirement tools in My Account. This is a continuation of phased changes to remove barriers and allow members to use these online tools. Also, members can now select additional pension options. This expansion is a key enabler, as our analysis identified limited pension options as a main reason eligible members may not choose to use these tools.

## Launched new service for members to track their requests

In My Account Message Centre, members can now quickly view the status of their requests in real time, online. Once a member signs in, they can view any open or closed request from the last 365 days. Currently, 20 service requests are covered by this new feature, such as applying for a pension, buying service and changing health benefits. The service provides more flexibility for members as they can access their information whenever they need it.

## Built connections for members

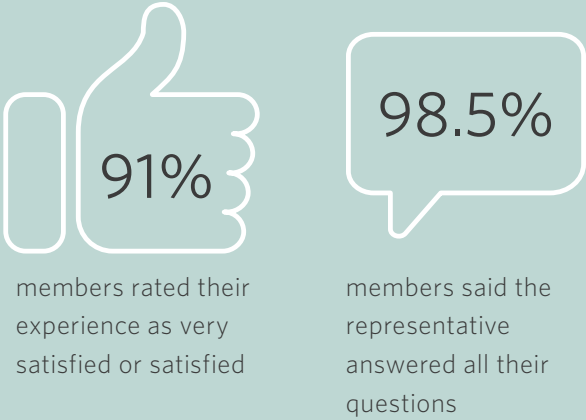
We’re finding new ways to connect members to the information that’s important to them. We piloted the use of a quick reference (QR) code on the printed *Member’s Benefit Statement* for those Public Service and WorkSafeBC pension plan members who have not yet opted in to digital communications. The QR code provides a link to My Account registration. This is an innovative way to bridge the gap between digital and print platforms. We’ve also added links to retiree associations in the digital version of *Pension Life*, available on the plan websites, to better connect retired members to their retirement community.



# We use data and feedback to inform our decision making

## Measured member satisfaction with phone survey

We implemented a cross-plan member satisfaction phone survey in the member services centre. Members who call the centre are transferred to a short two-question survey at the end of their call to rate their satisfaction and measure first-call resolution. Members respond to the survey using their phone keypad; if they choose not to respond, they can hang up. Across the plans, 19,608 calls were transferred to the survey: 78 per cent of members completed it, 91 per cent rated their experience as very satisfied or satisfied, and 98.5 per cent said the representative answered all their questions.



# Member services centre recognized as Certified Center of Excellence

Our member services centre was recognized as a Certified Center of Excellence by BenchmarkPortal. This certification recognizes the superior performance of our member services centre compared with other contact centres. This achievement reflects our journey of continuous improvement while delivering efficient and quality service to members. BenchmarkPortal is a global leader in the contact centre industry that provides benchmarking, certification, training, industry reports and consulting. The organization is recognized internationally for its expertise and hosts the world’s largest database of contact centre metrics.

## Member experience scores:



# Supported plan employers

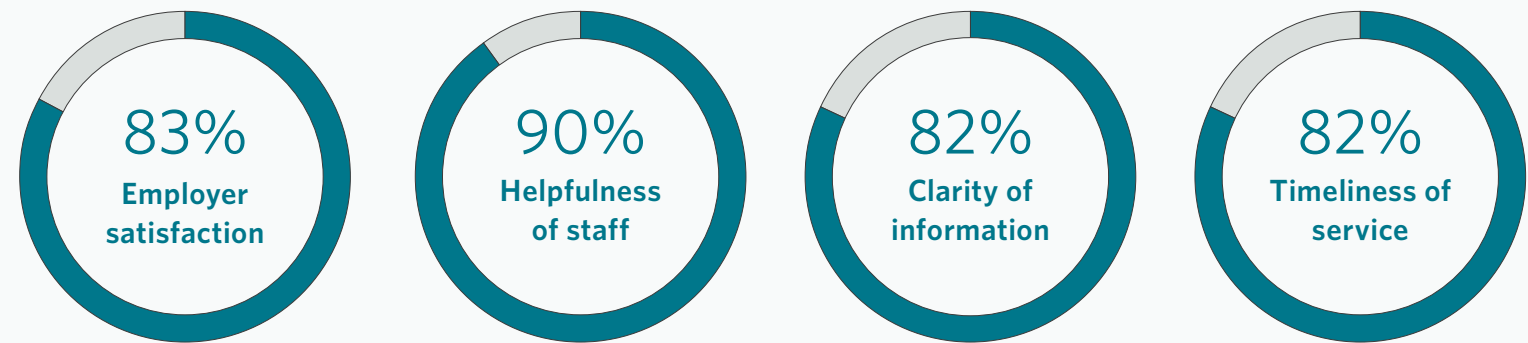
## Introduced a new “employer report card”

We piloted an employer initiative that shares a report card (called a “partnership summary”) with employers on measurements such as their data quality, how they engage with educational offerings, and how their employees engage with My Account and the plans’ online services. The report card helps each employer build more awareness of their data and understand how it can affect their daily pension tasks and our daily tasks. The pilot was so well received that employers said they wanted more data, such as purchase volumes (specifically arrears), historical reporting trends and how they compare to their peers.

## Launched the new employer portal

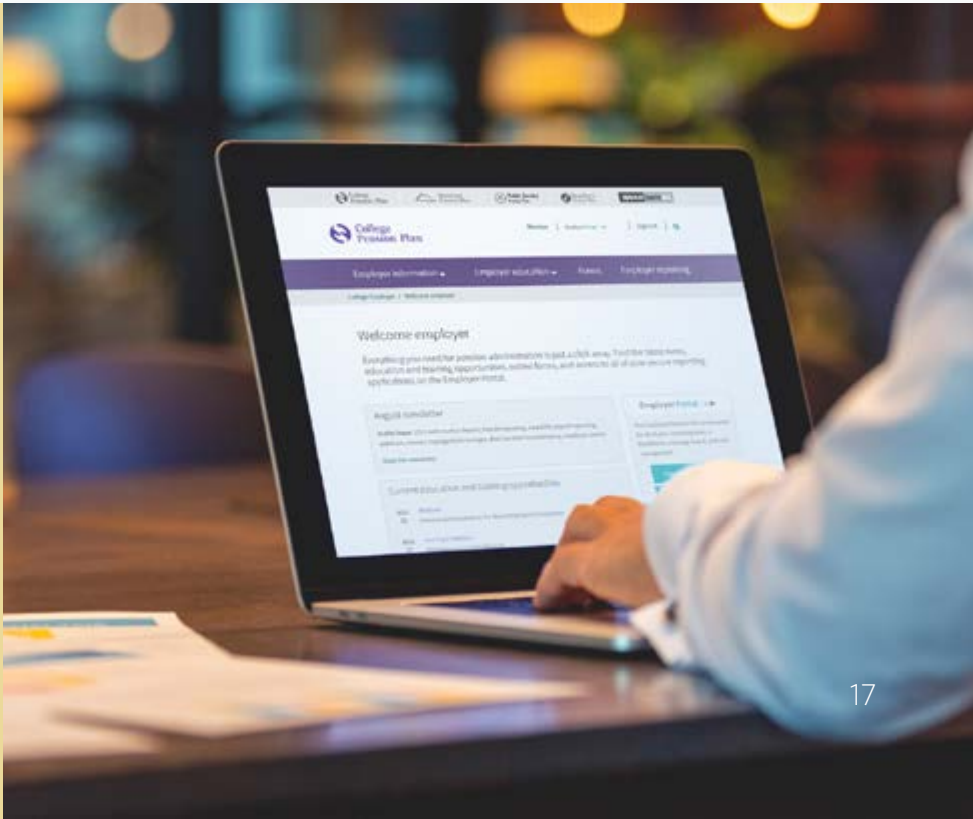
We’re excited about our new employer website and portal for all plan employers, launched in October 2022. The new website improves the digital experience for plan employers and our employees, the usability and security of employer tools, and the site analytics, which will help us with future enhancements. A new tool included in the launch is co-browse, which allows the employer operations team to see on screen what employers are seeing. This helps us better support employers who are experiencing challenges and provides a more efficient interaction.

## Employer experience scores:



“Not only is the new employer website more modern and secure, it’s also easier to navigate so employers can find what they need more intuitively. It’s elevated how we support employers with their pension reporting needs. We’ve seen a reduction in manual effort because of the new functionality, and upcoming changes will continue to improve performance reporting and accuracy, which in turn allows us to serve members more effectively.”

– Amanda Bowman, employer outreach manager, Employer Operations



# How we compare with our peers

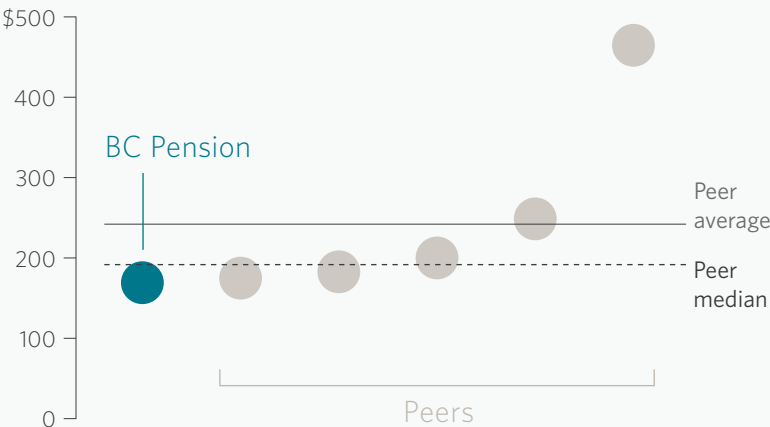
Each year, we participate in the CEM pension administration benchmarking analysis, which gathers data on cost, service levels and complexity of the world’s leading pensions systems. This year, 64 pension plans participated. CEM’s annual report provides insights into how we compare to the other participants as well as a select group of six similarly sized peer Canadian pension plan administrators. Results show we continue to be the lowest-cost-per-member service provider among our peer group and continue to provide consistent service in a highly complex environment.

## Recognized for the quality of our data

At the CEM Global Pension Administration Conference, we received two awards: one for the cleanliness of our data and the other for 20 years of support.

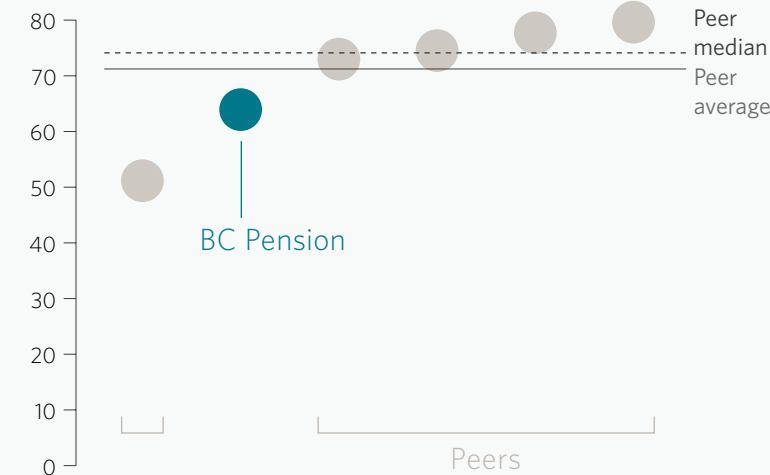
“Clean data means that the data is accurate, appropriately formatted and previously messy data has been organized and corrected. It’s great to be recognized with this award because it means our analytics team and subject matter experts understand our business well enough to compile the substantial amount of data required in a timely and accurate manner.”

– Philip North, director, Analytics and Insights



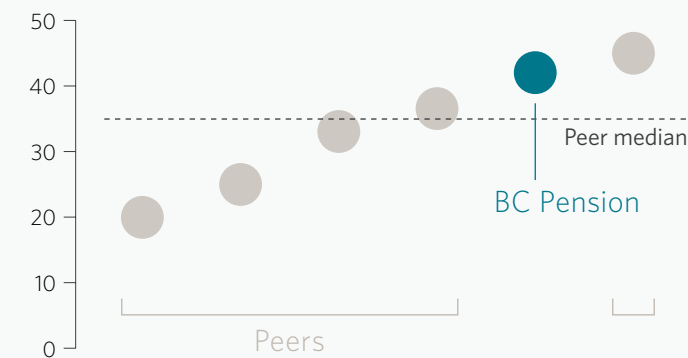
## Pension administration cost per member

Our total pension administration cost continues to be the lowest among our peers.



## Service score

Our overall service score was lower than our peer-median target largely due to an increase in some transaction volumes above historical norms. We scored higher on service activities such as member presentations, plan websites, and news and targeted communications.



## Complexity score

We are more complex than our peers due to the number of plans and variability associated with different plan rules.

# Continued to transform our IT environment

We continue to modernize our information technology (IT) environment to strengthen our cybersecurity, improve overall IT service delivery and enable future capabilities. This transformation will reduce complexity and ensure our software applications are efficient, cost-effective and sustainable. We are shifting our data centre from a traditional model, with a physical location, to a cloud-based one. This shift will increase the reliability and efficiency of core pension applications and key support functions and improve cybersecurity. As well, we are transitioning the management of our core infrastructure from a third-party service provider to the corporation, which allows us to manage our services more effectively.



## Expanded our use of Microsoft 365

Microsoft 365 (M365) continues to evolve, expand and transform how we work. We completed our move from local and personal drives to the cloud using Microsoft OneDrive. We moved various divisional and branch data to the cloud using Microsoft SharePoint and Teams, which improved searchability, integrity and version control. We also introduced a new way to collaborate within Teams workspaces with a feature called “shared channels.” A shared channel allows people who are not on the team to also collaborate on the project or product.

## Modernized our applications

We continue to modernize our digital tools and data repositories, and to adopt the power of our M365 platform. We initiated a plan to address our core legacy software technologies, those applications that had become complex and redundant over time. We also began to replace the core system used to provide service to our retired members, moving from unsupported technology to a modern web solution. In addition, we launched a new document management system; it introduced powerful new search capabilities for our employees who provide service to members and employers. It also creates a good foundation for enhanced search services and cognitive artificial intelligence.

## Enhanced our information security

We are committed to protecting personal information and member data. To do so, our information security program takes a holistic

approach that includes people, processes and technology. We have:

- Updated and refreshed critical security devices to improve the security of our networks, information and systems
- Completed a security assessment of our new cloud services and applied enhancements and changes to improve security
- Implemented artificial intelligence-based email identity protection services to high-risk users to reduce risk and improve detection of increasingly sophisticated phishing attacks
- Enhanced our business continuity plans to respond more effectively to cybersecurity situations.

## Promoted a culture that is privacy and security aware

We improved our information security capabilities, even as cyber threats continued to grow in volume and complexity. Through ongoing security awareness activities and campaigns, tabletop exercises and updated training materials, we promoted a privacy- and security-aware culture across the corporation. Staff are now required to complete an expanded interactive cybersecurity training program, as well as a new privacy awareness course that requires a final test and passing grade. By increasing staff awareness and prioritizing privacy and cyber-aware behaviours, we effectively protect our information in the hybrid work environment.

# We deepened our culture of connection and collaboration

We fine-tuned our approach to hybrid work in a purposeful and meaningful way. We are intentional in how and when we come together, and we are building an inclusive organization where everyone has a sense of belonging.

## Formalized our flexible work program

Flexibility has always been a priority for our corporation. It supports people to be at their best—at work and at home. Our flexible work program allows employees to maximize performance, foster collaboration and contribute to our organizational community. With a hybrid work model, staff can work some of the time on campus and some of the time at home. The program also offers a variety of shift schedules, flex days, balance days and modified work weeks. This flexibility supports both individual well-being and performance and the organization's success—it's also another way we're ensuring we attract and retain the best people!



"I value the camaraderie and collaboration that in-person time helps build. My team has set collaboration days in the office, and they've definitely made us a stronger and more effective team. But we also recognize it's just as important to have those focused, head-down days. I really enjoy the flexibility of having dedicated days working together in person, but also the time when I can work at home without interruption.

– Justin Kim, senior test automation developer,  
IT Engineering

## Gathered for virtual town halls

We use technology to help keep us connected in our hybrid work model. Regardless of where we are working from, our virtual town halls bring us all together to connect, deepen our corporate community, and share timely and important information.

## Brought more staff together when working on campus

We consolidated our campus workspace to create more opportunities for staff to connect with each other in person and to reduce our real estate footprint. Our workspaces offer an abundance of collaboration and meeting areas, support a hybrid work model and are in step with our evolving needs.

## Reintroduced in-person new employee orientation and welcome events

Our new employee orientation and welcome events are back in person, with team building and networking activities. We also introduced a new onboarding program for our new employees. The program consists of three 30-minute in-person workshops, which all new employees will complete within their first six months with us.

### **Welcomed back in-person Staff Day**

We celebrated our first in-person all-staff event since 2019. About 560 employees gathered at the Victoria Conference Centre for a day of connection, reflection and inspiration. The purpose of our annual event is to inspire, motivate and develop our people, and evolve our corporate culture. Several guest speakers presented on topics ranging from shifting mindsets and inspiring life stories to learning about Canada's colonial history. Staff left the day full of emotion and gratitude for their experience; a post-event survey confirmed the event served a potent dose of culture and growth to everyone.

### **Celebrated teamwork with summer social events**

Summer socials brought teams together to connect, share, learn, celebrate, build community and collaborate. We shared team stories and photos on our intranet and on social media to highlight moments that matter and celebrate our corporate culture. Investing in our culture yields tangible business benefits, including improved performance, talent acquisition and retention, innovation, brand reputation and organizational agility.

### **Shared our workplace culture on LinkedIn Life**

LinkedIn is an incredible tool that connects professionals across the globe. Our corporate LinkedIn page is mainly used to recruit top talent to our organization, profile the type of work we offer, share our news and milestones, and highlight our employees. LinkedIn Life allows organizations to share a more personalized look into their culture, events and structure, and provide other insights, such as employee testimonials. The feature looks like an online magazine, with snippets of video and photos peppered throughout. Naturally, we jumped at the chance to share our amazing culture with followers on our own LinkedIn Life page.



“The best part was simply all being together, laughing and sharing casual conversations—relaxing and getting to know one another. Some of our team joined the corporation during the pandemic, so it was nice to have casual time for all of us to visit in person. We also finally got a team photo, one which we will all keep as a memento of the best team ever!”

– Divisional business office, Information and Technology Services

## Continued to focus on diversity, equity, inclusion and accessibility in our organization

Diversity, equity, inclusion and accessibility (DEIA) are fundamental to our commitment to build an organization that fosters employee engagement, develops and recruits top talent, and supports the health and well-being of our employees.

### Launched a DEIA assessment

We launched a DEIA assessment to help us continue to build an inclusive workplace for everyone. Once complete, the assessment will provide us with an insightful, customized road map later this year to inform our future policies, practices and cultural aspirations.

### Established an accessibility and inclusion committee

Our new accessibility and inclusion committee will support us to meaningfully implement the *Accessible British Columbia Act* and regulations, which provide new rules and standards in areas such as employment, service delivery, built environment (e.g., buildings, space), information and communications, and education. This furthers our goal to identify, remove and prevent barriers to individuals in, or interacting with, Pension Corporation, and to create a more inclusive organization.

### Hosted Indigenous-relations and reconciliation workshops

As an organization operating on the traditional territory of the Lək'wəŋən (Lekwungen) People, we are committed to learning about their history, culture, traditions and ongoing connection to this land. We hosted Indigenous-relations and reconciliation workshops for Pension Corporation leaders. The purpose was to effect transformational change in how our organization engages with and relates to Indigenous Peoples. The workshop discussed First Peoples terminology and shared values, the colonial history of BC and Canada, relationship building, reconciliation, lessons learned and action planning.



# Gave back to our community

## Provincial Employees Community Services Fund

This year, our employees united in a common cause to support local charities and make a difference in our community. Together we raised \$63,922 over five weeks for the Provincial Employees Community Services Fund (PECSF) campaign, surpassing last year’s total of \$62,711. PECSF is a public service-wide fundraising program that’s raised more than \$50 million for over 1,000 charitable organizations across BC since it was started in 1965. One hundred per cent of pledges goes straight to the charities supported.

## Victoria Native Friendship Centre

In December 2022, the corporation donated \$5,000 to the Victoria Native Friendship Centre on behalf of staff. The Friendship Centre is an Indigenous-led, non-profit organization that provides services to urban Indigenous community members. Our donation went toward the weekly community soup luncheon and seasonal shelter.

Other fundraising initiatives this year included the Jean Up campaign in support of BC Children’s Hospital Foundation and a chocolate fundraiser to support the Canadian Red Cross Society’s humanitarian efforts in Ukraine.

# Ignited a culture of learning

We’ve ignited a learning culture in our organization that inspires employees to own their development, share their knowledge and thrive in the new hybrid work environment by providing barrier-free access to modern tools and opportunities to learn within the flow of work. Last year, over 6,000 hours of learning were completed through our internal education program, LinkedIn Learning, webinars and conferences. To expand on our organization’s learning culture, we’ve incorporated “learning bursts” into weekly team meetings. Learning bursts use digital or other non-tech or no-tech activities to reinforce learning that aligns with organizational needs and develops critical capabilities.

## Developed pension knowledge program for employees

We developed a new pension knowledge program for all employees to ensure they have the foundational information they need to succeed. The program’s focus is to provide a clear understanding of the work we do, how we do it and what guides us. It is divided into several courses covering many topics from pension basics to plan governance.

## Introduced new business leader training

We introduced training for new leaders: *Introduction to Leading the Business*. These interactive, on-demand courses focus on Pension Corporation knowledge and business practices. They provide videos, resources and activities on various areas of the business, and include a face-to-face component so leaders can ask questions, network and build relationships with other leaders. This training will enhance our leadership effectiveness and management capabilities of our leaders.



# We sharpened our vision of the future

As we gained momentum on our strategic plan, our vision of the future sharpened. We will have the right talent with the right motivation at the right time to achieve our objectives. We will continue to proactively support the plan boards and deliver better insights, and expand our influence in the pension industry.

## Finalized our strategic workforce plan

We finalized our new strategic workforce plan, which guides our efforts to attract, grow, promote and retain the talent we need. The plan positions us to address both current critical needs and capabilities to deliver on our *Plan 20/30* objectives. This is part of a more comprehensive program to build the best possible employee and leadership teams.

## Offered a dynamic co-op program

Our co-op program provides students with a work placement where they can expand their skills and gain valuable experience. Students are hired year-round and emphasis is placed on training, learning and development, support and mentorship. Each year in January, May and September, we welcome students into a variety of business areas, such as finance, project management, communications, information technology, client service, data analytics, information management, human resources and digital experience.

We also launched a fast-track process for areas that consistently hire co-op students. This allows us to better forecast co-op term numbers and streamline the process for the hiring managers. We also added a new [co-op landing page](#) on the BC Pension Corporation website that includes information about our co-op program, its benefits, testimonials from co-op students and a link to current job opportunities.

“Working as a junior information analyst co-op, I had the unique opportunity to apply psychological concepts in the technology sector. Through this experience, I was able to identify a career path that blended my passions, knowledge and skills in a capacity that I had not previously considered. I have also been given the incredible opportunity to continue my growth in this career path as an employee whilst completing my degree! I could not be more grateful to the corporation for this experience, and I will continue to be an ambassador for the co-op program.”

– Alysha Mosveen, Bachelor's of Arts in Psychology, University of Victoria

“My co-op term with the corporation was truly outstanding. The team was highly dedicated to my professional growth and provided excellent support. I had access to valuable networking opportunities and learning resources that enriched my experience. The organization's exceptional culture and commitment to my development made my time at Pension Corporation unforgettable and rewarding.”

– Martin Kurian, Post-Degree Diploma in Marketing, Camosun College



# Provided insights to the plan boards

## Enhanced our member segmentation strategy

We enhanced our member segmentation strategy to ensure we provide all members with the right information at the right time to better support their pension decision making. Historically, we segmented members into categories based on their career stage and how they plan for retirement, which broadly aligned to the stages of retirement readiness. Now our research and discussions with stakeholders have let us identify more plan member segments with unique needs. This enhanced strategy will help us customize the member experience across channels so we can anticipate and answer the specific needs and goals of each segment.

## Completed new and younger member research

As part of our broader member segmentation strategy, we completed a year-long, two-phase research study on the new and younger members to better understand how to effectively engage and communicate with them. Our goal for these members is to increase their understanding of the pension plans, and evolve our communications and services to better target their specific needs. Analysis of the data and feedback collected helped inform our engagement strategy for these member segments.

## Initiated inactive member outreach pilots


Inactive members is one of the identified plan member segments. Members in this segment are now receiving more attention with three outreach pilot initiatives underway. Through these pilots, we will contact inactive members who are eligible to retire to ensure they are aware of the pension benefit available to them.

## Delivered insights on the gender pension gap


As part of our goal to provide the plan boards insights on topics of interest, 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 show that, 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. We will use these findings to highlight opportunities to improve the member experience.

# Continued to support the plan initiatives


We assisted the boards with their plan redesign.




**Public Service Pension Plan:**  
processed refund payments to correctional employees as part of the plan’s surplus allocation project



**College Pension Plan:** received past service purchase payments from Simon Fraser University employees in our ongoing support of SFU’s enrolment in the plan



**Teachers’ Pension Plan:** assisted with ongoing post-retirement group benefits review



**Municipal Pension Plan:** updated systems for pre-retirement death calculations

## Supported ESG communications

Environmental, social and governance (ESG) investing continues to attract more focus and attention. In November 2022, BCI released its 2022 Climate Action Plan, and the Municipal Pension Plan announced its net-zero goal. We prepared all the plans for these announcements. Working collaboratively with BCI, we created a comprehensive communication plan for each of the plan boards.

# Expanded our influence

## Shared our vision for the future at the CEM Benchmarking conference

The CEM annual conference provides access to a global peer network of pension administrators that drives our continued leadership in our industry. This year, we co-hosted the conference and delivered presentations on our *Plan 20/30* strategy, our operational excellence evolution, service innovations for plan members, and how we empower our employees with a people-first culture. The presentations were well received and prompted engaging discussions.

## Supported the Canadian Public Pension Leadership Council

We contribute our knowledge and expertise to the Canadian Public Pension Leadership Council (CPPLC), which is made up of senior administrators from 13 pension plans across the country. We have been active participants in CPPLC initiatives over the past several years, including work on conferences, publications and research. We supported the council at the Vantage conference, where over 200 attendees from public sector pension plans across Canada gathered to exchange ideas. We also set up the new CPPLC LinkedIn page in June, provided content and managed engagement.

## Strengthened relationships with our stakeholders

Our annual trustee and stakeholder education event is an opportunity to build relationships outside of board and committee meetings. The event provided education to strengthen the understanding of information security in today's ever-changing environment. Tanya Janca of We Hack Purple provided a lively keynote presentation on secure design, metrics and improvement. Brett Emmerton, our vice-president of IT Services and chief information officer, joined Tanya in a follow-up question period. We are committed to protecting members' data and information, from collection to disposal. Enhancing information security is one of the key actions in our strategic plan.

## Participated in 2023 Employment Equity Partners' Roundtable

This spring, CEO Laura Nashman participated in the 2023 Employment Equity Partners' Roundtable hosted by The Inclusion Project and CBC/Radio-Canada. This year's roundtable theme, "Beyond culture: bridging gaps in accessibility, equity and inclusion," provided the opportunity for a dialogue focused on strategic solutions to advance equitable practices in Canada. As leaders in the pension industry, we understand the importance of enabling a safe and inclusive workplace where everyone has a sense of belonging.



"We received excellent feedback from our guests. It was engaging and applicable to everything that we do as a service provider. It also demonstrates our value as trusted advisors—we are doing the right things in the IT security realm and that helps create peace of mind for our stakeholders."

- Aaron Walker-Duncan, vice-president,  
Board and Communication Services

# Risk management discussion

## Actively managed our risk

Our risk management program identifies, monitors and manages risks to achieve our corporate objectives. Four areas of practice help us understand the critical risks and opportunities of our business, and when to take action with a risk management plan or capitalize on opportunities.

### Risk management

Identify, assess and manage risks to achieving our objectives, from strategic planning and performance to day-to-day operations

### Business continuity management

Assess risks to continued business operations; develop plans to provide service during irregular operations, and for incident and crisis response

### Quality management and operational compliance

Assess risk to quality or non-compliance with legislation and plan rules; design appropriate controls to ensure quality objectives are met; test outputs to ensure quality is maintained

### Assurance

Internal audit and advisory services (IAAS), an independent third party that assesses risks and controls to identify gaps and recommend improvements

## Focused on our most important risks

Our coordinated enterprise-wide approach helps us identify, assess, manage and monitor risks to the successful achievement of our strategic and operational objectives. We base our program on a globally recognized risk management framework that uses a principles-based approach and integrates strategy, performance and risk to promote a risk-aware culture.

Our program is designed to increase positive outcomes and reduce uncertainty. To do this, we anticipate potential disruptions, plan for resilience and put those plans into action.

## Protected our information

Information security is our top-of-mind risk. We continue to invest in this area to identify risks, prioritize activities, and ensure plan member and corporate data is protected. We take a holistic approach to information security, including people, processes and technology. Our risk treatment plan includes a variety of strategies to avoid or reduce risk, as well as cyber insurance to share risk.

## Prepared for potential challenges

Rising inflation resulted in significant cost pressures, including higher salaries and benefits from a new BC General Employees’ Union collective bargaining agreement and higher demands for our services, which affects staff levels. Because we identified cost pressures as a risk early, we were able to generate efficiencies and savings and reprioritize these to offset pressures in our budget.

Recent advances in artificial intelligence (AI) have the potential to change the way we work. We are exploring what effects and opportunities AI tools could create for our work, our employees, and privacy and security issues. We recognize that AI can quickly bring about incredible change, so we have started to consider its implications now.

We take our responsibility seriously 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. For every pension dollar we collect on behalf of the plans, less than three cents is used to fund Pension Corporation services. In 2022/23, we continued to be the lowest-cost service provider relative to our peers.

# Financial discussion

## On track to budget

For the year ended March 31, 2023, we were below budget (a variance of 1.2 per cent under budget or \$1.1 million).

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 2022/23 charges to the plans for base operations, strategic actions, and secretariat requirements.

### Total service delivery charges to the pension plans

For the year ended March 31, 2023

	2022/23 actual (\$ thousands)	2022/23 budget (\$ thousands)	Budget variance	
			(\$ thousands)	(%)
Base operations	73,726	75,652	(1,926)	(2.5)
Strategic projects	17,109	16,305	804	4.9
Total base operations and strategic actions	90,835	91,957	(1,122)	(1.2)
Enhanced services	241	466	(225)	(48.3)
Secretariat services	2,977	2,687	290	10.8
Total charges to pension plans	94,053	95,110	(1,057)	(1.2)

**Base operations** are the charges for the day-to-day running of our organization to serve plan members and employers. Base operations concluded well under budget due to planned cost savings as we exited some third-party information technology services and leveraged more of our own internal expertise.

**Strategic projects** are the charges to implement projects to improve our organizational performance. Strategic projects concluded over budget as we pulled forward some multi-year work on our information technology modernization activities.

**Enhanced services** are charges in addition to our core service delivery plan budgets. These are charges approved by plan boards for items like unique plan design changes.

**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 on page 34 give a different perspective than the total service delivery charges to the pension plans on page 28. 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* to be as transparent as possible with financial information.

In the audited financial statements for the current fiscal year ended March 31, 2023, total revenue and expenses decreased relative to 2021/22. This variance can be attributed to increased capitalization of assets. When we capitalize project costs, it reduces revenue and the amount expensed to some line items, such as salaries and professional services, and places those amounts on the statement of financial position as an asset to be amortized over time. This past year, more was transferred than in the previous year due to the nature of the projects. A reconciliation between the total service delivery charges to the pension plans summary and the audited financial statements is provided in notes 12, 13 and 14 of the audited financial statements.

# Financial outlook

As we look to the future, we will continue to provide excellent service to plan members and employers 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

Operational excellence, service innovation and influence remain our grounding aspirations, and our five strategic objectives will continue to bring them to life. We will continue to inspire the trust and confidence of our stakeholders and live our purpose—to create peace of mind for those we serve.

For details on our aspirations, objectives and strategic plan, please visit our [road map to the future](#).

# 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	Chair	18,297	5,850	24,147
Lucas Corwin	Director	5,679	-	5,679
Cheryl Eason	Director	8,103	-	8,103
Geraldine Hutchings	Chair, audit, finance and risk committee	11,735	-	11,735
Chan-Seng Lee	Vice-chair	10,496	3,187	13,683
Cameron McRobb	Director	7,699	5,358	13,057
Harpinder Sandhu	Director	8,305	1,578	9,883
Gary Yee	Chair, HR and governance committee	11,735	1,203	12,938

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

## 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
Geraldine Hutchings	Committee chair
Chan-Seng Lee	Member
Lucas Corwin	Member
Cheryl Eason	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
Harpinder Sandhu	Member
Cameron McRobb	Member
Elizabeth Baverstock	Member
Ex officio members	Board chair and vice-chair

## Board and committee meeting attendance

In 2022/23, 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
Lucas Corwin	1	1	1	3
Geraldine Hutchings	5	3	3	11
Elizabeth Baverstock	5	3	3	11
Gary Yee	5	3	3	11
Cheryl Eason	4	3	3	10
Chan-Seng Lee	5	3	3	11
Cameron McRobb	5	1	3	9
Harpinder Sandhu	5	3	3	11

# Executive compensation

BC Pension Corporation has five 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	\$404,875.00 <sup>2</sup>	\$39,880.19
Trevor Fedyna	Vice-president, Strategy and Insights, and chief financial officer	\$239,599.37	\$23,600.54
Brett Emmerton	Vice-president, Information and Technology Services, and chief information officer	\$230,554.17	\$22,709.59
Aaron Walker-Duncan	Vice-president, Board and Communication Services	\$239,599.37	\$23,600.54
Joel Levinson	Vice-president, Member and Employer Experience	\$247,918.29	\$24,419.95
Erika Taylor	Vice-president, People and Culture	\$207,598.56	\$20,448.46

<sup>1</sup> The pension is at an employer contribution rate of 9.85 per cent of base salary. There are other forms of benefits such as health, education, parking and unused vacation time.

<sup>2</sup> Pro-rated based on the annual increase applied January 1, 2023.

# Audited financial statements



## 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.

A stylized blue ink signature of Trevor Fedyna.

Trevor Fedyna, CPA, CGA, C. Dir

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

British Columbia Pension Corporation

A stylized blue ink signature of Allan Chen.

Allan Chen, CPA, CA

Controller, Financial Services

British Columbia Pension Corporation



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Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## 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, 2023
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- 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, 2023, 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.

## ***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 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.

- 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.



Chartered Professional Accountants

Vancouver, Canada  
June 23, 2023

## Statement of Financial Position

(\$ thousands)


As at March 31	Note	2023	2022
<b>Assets</b>			
Current			
Cash and cash equivalents	4	\$ 13,089	\$ 10,450
Due from pension plans	5	4,188	5,204
Accounts receivable		512	454
Prepaid expenses		1,590	1,594
		<u>19,379</u>	<u>17,702</u>
Computer systems and other assets			
Intangible assets	6	24,544	16,461
Tangible assets	6	5,561	6,974
		<u>30,105</u>	<u>23,435</u>
<b>Total assets</b>		<b>\$ 49,484</b>	<b>\$ 41,137</b>
<b>Liabilities</b>			
Current			
Accounts payable		\$ 9,889	\$ 8,843
Accrued salaries and benefits	7	9,407	8,828
Current portion of obligations under lease	8	216	212
		<u>19,512</u>	<u>17,883</u>
Obligations under lease	8	90	306
Deferred capital funding	9	29,799	22,918
		<u>29,889</u>	<u>23,224</u>
<b>Net assets</b>			
Share capital		-	-
Surplus		-	-
Internally restricted net assets		83	30
<b>Total liabilities and net assets</b>		<b>\$ 49,484</b>	<b>\$ 41,137</b>

Commitments (note 10)

Contingent liabilities (note 11)

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

  
 British Columbia Pension Corporation  
 Board of Directors

  
 British Columbia Pension Corporation  
 Board of Directors

## Statement of Operations

(\$ thousands)

For the year ended March 31	Note	2023	2022
<b>Revenues</b>			
Pension services	12	\$ 84,248	\$ 92,176
Pension boards' secretariat services	13	2,977	2,648
Investment income	14	580	250
<b>Total revenues</b>		<b>\$ 87,805</b>	<b>\$ 95,074</b>
<b>Expenses</b>			
Salaries and benefits		57,505	57,931
Professional services		7,204	12,787
Information services and systems		8,844	8,786
Amortization		6,177	7,875
Premises		4,329	4,525
Other	15	3,693	3,140
<b>Total expenses</b>		<b>\$ 87,752</b>	<b>\$ 95,044</b>
<b>Excess of revenues over expenses</b>		<b>\$ 53</b>	<b>\$ 30</b>

## Statement of Changes in Net Assets

(\$ thousands)

For the year ended March 31, 2023	Share capital	Surplus	Internally restricted
Opening balance	\$ -	\$ -	\$ 30
Excess of revenues over expenses	-	53	-
Transfers	-	(53)	53
<b>Closing balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83</b>
<b>For the year ended March 31, 2022</b>			
Opening balance	\$ -	\$ -	\$ -
Excess of revenues over expenses	-	30	-
Transfers	-	(30)	30
<b>Closing balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30</b>

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

## Statement of Cash Flows

(\$ thousands)

For the year ended March 31	Note	2023	2022
<b>Operating transactions</b>			
Excess of revenues over expenses		\$ 53	\$ 30
Add (deduct) items not involving cash			
Amortization of computer systems and other assets		6,177	7,875
Amortization of deferred capital funding		(6,177)	(7,875)
		53	30
Change in non-cash working capital balances			
Decrease in due from pension plans		1,016	633
(Increase) decrease in accounts receivable		(58)	112
Decrease (increase) in prepaid expenses		4	(312)
Increase (decrease) in accounts payable		1,046	(6,872)
Increase in accrued salaries and benefits		578	4,619
Total operating activities		\$ 2,639	\$ (1,790)
<b>Investing transactions</b>			
Acquisition of computer systems and other assets		(12,846)	(5,349)
Total investing activities		\$ (12,846)	\$ (5,349)
<b>Financing transactions</b>			
Decrease in obligations under lease		(212)	(204)
Deferred capital funding received		13,058	5,553
Total financing activities		\$ 12,846	\$ 5,349
<b>Increase (decrease) for the year</b>		\$ 2,639	\$ (1,790)
Cash and cash equivalents at beginning of year		10,450	12,240
<b>Cash and cash equivalents at end of year</b>	4	\$ 13,089	\$ 10,450

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

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 1. AUTHORITY

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 Corporation furniture and other miscellaneous equipment
- Tenant improvements include changes and improvements to current accommodations

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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 and Changes in Net Assets.

The cost, less residual value, of computer systems and other assets is amortized on a straight-line 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.

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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 and changes in net assets 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.

	2023	2022
Cash	\$ 1,077	\$ 1,032
Cash equivalents	12,012	9,418
	\$ 13,089	\$ 10,450

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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:

	2023	2022
Beginning balance, due from pension plans	\$ 5,204	\$ 5,837
Total charges to pension plans for:		
Benefit administration services (note 12)	91,076	89,792
Pension boards' secretariat services (note 13)	2,977	2,648
Operating funding received	(82,011)	(87,520)
Deferred capital funding received	(13,058)	(5,553)
Ending balance, due from pension plans	\$ 4,188	\$ 5,204
Comprised of:		
Municipal Pension Plan	\$ 2,849	\$ 3,150
Public Service Pension Plan	884	1,270
Teachers' Pension Plan	467	721
College Pension Plan	111	44
WorkSafeBC Pension Plan	(79)	48
Municipal Retiree Benefit Trust	(44)	(29)
Due from pension plans	\$ 4,188	\$ 5,204

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 6. COMPUTER SYSTEMS AND OTHER ASSETS

	2023			2022
	Cost	Accumulated amortization	Net book value	Net book value
Intangible assets				
Major business application	\$ 96,565	\$ (72,021)	\$ 24,544	\$ 16,461
Tangible assets				
Computer systems	\$ 19,052	\$ (16,321)	\$ 2,731	\$ 3,300
Furniture	6,157	(4,883)	1,274	1,681
Tenant improvements	5,713	(4,428)	1,285	1,520
Computer systems under capital lease	2,771	(2,500)	271	473
Total tangible assets	\$ 33,693	\$ (28,132)	\$ 5,561	\$ 6,974
Total	\$ 130,258	\$ (100,153)	\$ 30,105	\$ 23,435

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

	2023	2022
Accrued salaries and benefits	\$ 6,613	\$ 6,000
Leave liability	2,794	2,828
	\$ 9,407	\$ 8,828

Leave liability primarily consists of vacation earned but not yet taken.

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 8. OBLIGATIONS UNDER LEASE

The Corporation entered into lease agreements in fiscal 2014 to fund a data centre transformation and related computer systems equipment through a service provider that also maintains and operates those assets. The leases have five-year terms, with interest rates ranging from 4.0% to 5.0%. The minimum future lease payments under leases are as follows:

For the year ending March 31	2023	2022
2023	\$ —	\$ 229
2024	224	224
2025	91	91
	315	544
Amount representing interest	(9)	(26)
Obligation	\$ 306	\$ 518
Current portion	216	212
Non-current portion	90	306
Opening balance, obligations under lease	\$ 518	\$ 722
Additions	—	—
Less: principal payments	(212)	(204)
Closing balance, obligations under lease	\$ 306	\$ 518

All of the \$306 thousand (2022: \$518 thousand) lease obligations are capital.

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 9. DEFERRED CAPITAL FUNDING

	2023	2022
Opening balance	\$ 22,918	\$ 25,240
Computer systems and other assets additions	12,846	5,349
Net changes in obligations under lease	212	204
Capital funding received	13,058	5,553
Amount amortized into revenue	(6,177)	(7,875)
Ending balance	\$ 29,799	\$ 22,918

### 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
2024	\$ 4,678
2025	\$ 4,721
2026	\$ 4,770

#### 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.

The initial term of the Corporation's agreement for provision of server management, network management and network security services expired on March 31, 2021, but an extension was entered into expiring on March 31, 2024. Projected contract costs, excluding obligations purchased under lease (note 8) and inflation, are as follows:

For the year ending March 31	Managed services	Data centre facilities	Total
2024	\$ 2,384	\$ 291	\$ 2,675
2025	—	196	196
	\$ 2,384	\$ 487	\$ 2,871

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 10. COMMITMENTS (CONTINUED)

#### c) Contractual obligations—member services centre

On November 16, 2016, the Corporation entered into an agreement for the provision of a member services centre telephony software and technical solution. The terms of the agreement fall within the master agreement that the service provider has negotiated with the Province. The Province, through the service provider, will provide project services to implement the technical solution and ongoing managed services.

There is provision under the agreement for the Corporation to terminate for convenience with not less than 60 days prior written notice to the Province. Should the Corporation exercise its termination rights, the Corporation may be required to pay termination fees to the Province for unrecovered capital costs and initial unrecoverable costs for the service provider.

The unrecovered capital costs payable to the Province are \$450 thousand less an amount of \$7 thousand each month for the number of months expired in the agreement after March 31, 2018. The unrecovered capital cost as at March 31, 2023, is \$30 thousand.

#### d) Contractual obligations—Oracle Fusion cloud application suite

On November 24, 2022, the Corporation entered into an agreement for the provision of a solution design, configuration, implementation, migration, transition and support for the Oracle Fusion cloud application suite. The term of the agreement will be from the date of execution to March 31, 2028. The Corporation reserves the right to extend the agreement for an additional three 3-year renewals.

The maximum value of the agreement for the initial term is \$1.6 million excluding taxes, based on an 18-month implementation (initiation and validation phases are planned from January through June 2023 and the configuration, implementation and stabilization phases to be implemented between July 2023 and June 2024). Any extension to the timeline caused by the Corporation will be subject to discussion and change request for additional costs.

#### e) Contractual obligations—other contracts and commitments

The Corporation has committed to \$135 thousand (2022: \$350 thousand) for various IT software licences and maintenance fees on April 1, 2023, and ending on March 31, 2024.

### 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.

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ thousands except as otherwise noted)

### 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.

	2023	2022
Total charges to pension plans for benefit administration services and purchase of assets; see (a) below	\$ 91,076	\$ 89,792
Intangible assets and long-term infrastructure charge	53	62
Total charges to pension plans	91,129	89,854
Purchase of computer systems and other assets	(12,846)	(5,349)
Lease obligation funding received, net of disposals	(212)	(204)
	78,071	84,301
Capital funding recognized as service revenue:		
Amortization of deferred capital funding	6,177	7,875
Total pension services	\$ 84,248	\$ 92,176

(a) Total charges to pension plans for benefit administration services:

Municipal Pension Plan	\$ 50,613	\$ 50,757
Public Service Pension Plan	19,216	19,227
Teachers' Pension Plan	13,952	13,743
College Pension Plan	4,621	4,560
WorkSafeBC Pension Plan	1,189	1,174
Municipal Retiree Benefit Trust	1,485	331
	\$ 91,076	\$ 89,792

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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.

	2023	2022
Municipal Pension Plan	\$ 1,771	\$ 1,592
Public Service Pension Plan	398	333
Teachers' Pension Plan	397	390
College Pension Plan	411	333
Total charges to pension plans for pension boards' secretariat support services	\$ 2,977	\$ 2,648

### 14. INVESTMENT INCOME

	2023	2022
Interest from cash	\$ 33	\$ 213
Interest from cash equivalents	547	37
	\$ 580	\$ 250

### 15. OTHER EXPENSES

	2023	2022
Communication products and distribution	\$ 1,319	\$ 1,102
Travel and business expenses	637	351
Staff training	425	385
Office supplies	334	357
Bank charges and regulatory fees	473	481
Insurance	385	356
Corporate board	103	83
Lease financing	17	25
	\$ 3,693	\$ 3,140

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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 trusteesd 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, 2020, indicated a funding surplus of \$2.7 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, 2023, the Corporation has approximately 661 (2022: 663) employees contributing to the plan, which has approximately 68,400 active plan members and approximately 53,700 retired plan members.

In 2023, the Corporation paid \$4.9 million (2022: \$4.6 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 \$16.4 million (2022: \$14.6 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 and 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.

## British Columbia Pension Corporation

Notes to the financial statements for the year ended March 31, 2023

(\$ 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 \$12.0 million, are classified as level 1 (2022: \$9.4 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 comprises 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 2023 (2022: nil), the bank facility had not been drawn upon. The Corporation's accounts payable and accrued salaries and benefits are due within one year of 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, 2022 to March 31, 2023, were submitted on time.



BC PENSION  
CORPORATION