



# Staff Pension Plan 2025 REPORT TO MEMBERS



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## Territory acknowledgement

We acknowledge and respect the ləkʷəŋən (Songhees and Xʷsepsəm/Esquimalt) Peoples on whose territory the university stands, and the ləkʷəŋən and WSÁNEĆ Peoples whose historical relationships with the land continue to this day.

# INTRODUCTION

We are pleased to present the 2025 Staff Pension Plan Report to Members.

Since the Staff Pension Plan (Plan) was established, it has been doing what it is designed to do – provide members with a secure, lifelong retirement income. The Plan remains financially stable and healthy.

## Keeping the Plan financially strong

We regularly review the Plan's financial health and have begun the 2026 valuation, based on the experience and economic results as of December 31, 2025.

The Plan achieved a one-year return of 2.4% (net of fees) and an annualized return of 6.2% (net of fees) over the past 10 years. While the 2025 return lagged the benchmark, our investment strategy is designed with a long-term focus. Over longer periods, returns remain in line with expectations and continue to support the Plan's overall financial strength.

## Investing

In 2025, we reviewed the Plan's investment mix, completing an asset-liability study with our investment consultant. We will be adding an allocation to mortgages and increasing our infrastructure allocation to improve diversification and target a higher risk-adjusted return.

We also developed and adopted a new *Responsible Investment (RI) Policy*. It formalizes our approach to integrating environmental, social and governance considerations into our investment decisions in a manner consistent with our fiduciary duty.

## Managing risk

Over the past year, we maintained our commitment to strengthen how we manage risk, actively using the risk framework and register introduced in 2024 to help identify and address potential issues early.

## Supporting members and improving communication

The UVic Pension Services team supported hundreds of current, former, and retired UVic employees through annual statements, pension estimates and pension seminars along with one-on-one conversations to help members better understand their pension benefits.

We expanded how members access information. Pension seminars are now recorded and available on demand for those who register, making it easier to learn at a convenient time. We also introduced targeted outreach to ensure members of the Plan are aware of the resources available to them. At the same time, we are in the process of enhancing our digital services by modernizing the Pension Services website.

## Looking ahead

Supporting our members remains at the center of what we do. We will continue working to keep the Plan sustainable, administer it carefully and give members the information they need to make informed decisions about their pension journey and retirement planning.

We hope you find this report useful and welcome your feedback. You can find contact details on page 4.



**Andrew Coward**  
Chair, Investment and  
Administration Committee



**Kane Kilbey**  
Chair, Governance  
Committee



**Randi Topp**  
Executive Director, Pensions  
and Plan Governance

# ABOUT PENSION SERVICES

UVic's Staff Pension Plan is supported by Pension Services, an on-campus team dedicated to guiding members through every stage of the pension journey. Grounded in their mission and vision which center around supporting and empowering plan members, they provide clear, expert support from early career to retirement.

Plan members who interact with the Pension Services team throughout the year are encouraged to provide their feedback through our member experience surveys. We appreciate the feedback and use it to improve our services.

## Helping you understand your pension

Pension Services helps members understand all aspects of the Staff Pension Plan, including plan features, pension implications of career changes and life events, the retirement process and post retirement support.

The team also offers "Understanding Your Pension Plan" seminars twice a year for members approaching retirement. These sessions review how the Plan works and explain available retirement income options. Members aged 50+ are notified of upcoming sessions by email correspondence.

While the team provides pension-related guidance, plan members are encouraged to seek independent financial planning advice to ensure their full financial picture is considered when setting retirement goals. Pension Services can provide pension information to your financial advisor.

**Your pensions services team is always within reach – by phone, email, or in person.**

**Visit us:** Michael Williams Building, room B278

**Email:** [pensions@uvic.ca](mailto:pensions@uvic.ca)

**Phone:** 250-721-7030

**Website:** [www.uvic.ca/pensions](http://www.uvic.ca/pensions)



## OUR MISSION

Our mission is to support the well-being of our pension plan members and the UVic community by providing reliable, accessible, timely and caring pension administration services on behalf of the Plans' governing bodies.

## OUR VISION

We will empower the beneficiaries of the UVic pension plans to make well-informed life decisions by providing outstanding services, modern tools, and effective communications that enhance their understanding of their pension plan benefits.

# 2025 PLAN HIGHLIGHTS

## Membership



## Cost of Living Adjustment

**2.0%**  
**effective January 1, 2026**  
members collecting a pension may receive carry-forward from previous years to a maximum of 3.0%

## Financial

**\$387.7**  
**million**  
in assets

**\$16.9**  
**million**  
in benefits paid

**\$9.4**  
**million**  
received in contributions

## Funding

**85.1%** solvency funded ratio and  
**114.0%** going concern funded ratio  
as of December 31, 2022

New **valuation**  
**underway** in 2026

## Investment

**2.4%**  
net investment return  
in the Balanced Fund

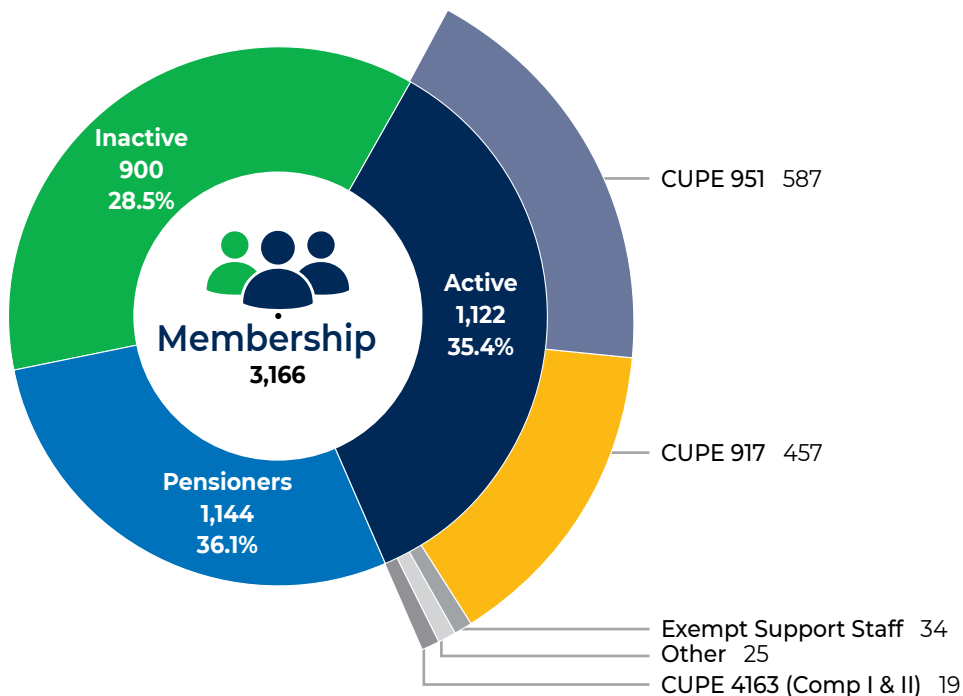
**6.2%**  
10-year net annualized return  
in the Balanced Fund

**Asset mix**  
**review completed**  
  
Developed a  
**Responsible Investment**  
**Policy**

# MEMBER HIGHLIGHTS

As at December 31, 2025

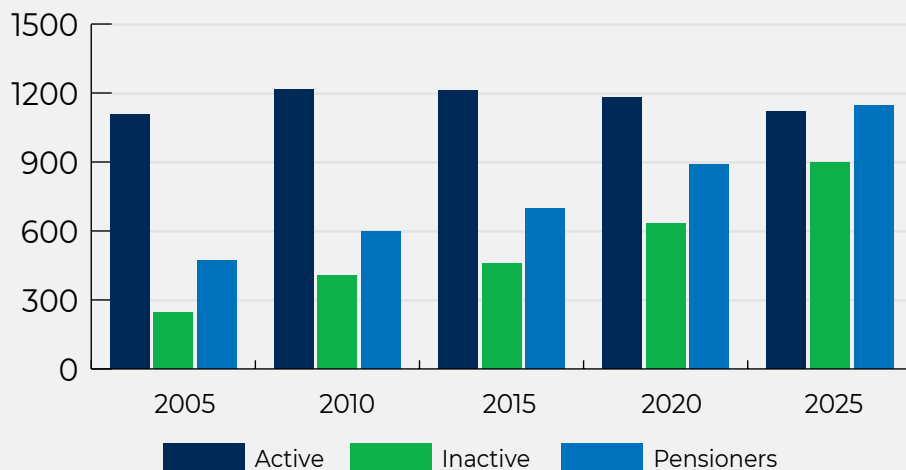
## Membership



Provided benefits payments to  
**1,209** members

Delivered 4 pension seminars to  
**106** members

## 20-Year Plan Growth



### ACTIVE MEMBERS

Employed by UVic and contribute to the Plan

### INACTIVE MEMBERS

Transferred to another UVic plan or ended employment and have a pension remaining in the Plan

### PENSIONERS

Members and/or beneficiaries drawing a pension from the Plan

# ABOUT THE PLAN - KEY FEATURES

The UVic Staff Pension Plan provides valuable features to help members build retirement wealth.

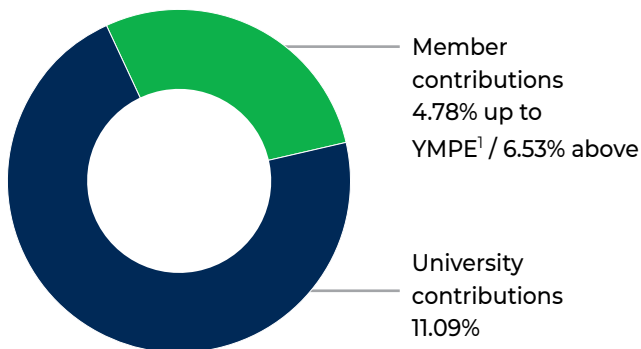
## A Pension for Life

As a defined benefit pension plan, it is designed to give members a lifelong retirement income. For each year of service in the plan, you earn:

- 1.7% of your Final Average Earnings (FAE) up to the final average YMPE<sup>1</sup> (FAYMPE)
- + 2.0% of FAE above the FAYMPE

## Contributions (% of pensionable earnings)

As of August 1, 2023



## Early Retirement

Your pension is payable at 65, but you may qualify for **an unreduced pension at 60**. You can begin collecting as early as 55, though starting earlier slightly reduces the annual amount because payments are spread over a longer period. Reductions depend on whether you take your pension right when you retire or delay the start date.

### Retiring immediately from UVic

You are eligible to start your pension at:

**Age 55** – reduced by 3%/year prior to age 60.

**Age 60** – unreduced.



If you retire at 58, your pension is **reduced by only 6%** (3% for each year before 60), meaning you **receive 94% of your unreduced pension** for life.

### Delaying benefits after leaving UVic

You are eligible to start your pension at:

**Age 55** – with an actuarial reduction from age 65.

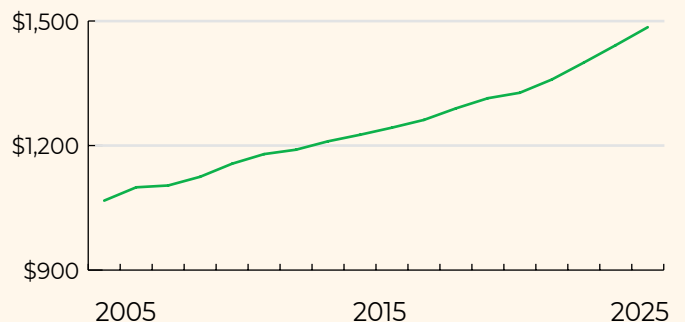
**Age 65** – unreduced.

## Annual Cost-of-living Adjustments

In retirement, **members can count on built-in protection against inflation**. Each year, the Plan provides a cost-of-living adjustment in line with the Consumer Price Index, up to a maximum of 3%<sup>2</sup>.



If you retired in 2005, with a \$1000 per month payment, your payment would have increased to approximately \$1485 per month by 2025.



<sup>1</sup> The Year's Maximum Pensionable Earnings is \$74,600 for 2026.

<sup>2</sup> A supplementary adjustment may be available for those above age 66.

# FINANCIAL SUMMARY

## Financial Reconciliation<sup>1</sup> (\$'000s)

As at December 31, 2025

		2024	2025
<b>Opening Balance</b>		353,433	384,500
Net Investment Returns		39,037	11,565
	<b>Member</b>		
	Current Service	2,593	2,638
	Supplemental	142	144
	<b>University</b>		
Contributions	Current Service	6,142	6,254
	Supplemental	142	144
	CV transfer deficiency	248	195
	<b>Total Contributions</b>	9,267	9,375
	Monthly pensions	(14,679)	(15,606)
Benefit Payments	Transfers & Lump Sums	(1,651)	(1,291)
	<b>Total Benefit Payments</b>	(16,330)	(16,897)
Non-investment Expenses <sup>2</sup>		(907)	(823)
<b>Closing Balance</b>		<b>384,500</b>	<b>387,720</b>

## Contributions

Members and the university share the cost of the Plan. Required contributions are based on a percentage of members' pensionable earnings.

For additional information on contributions visit [www.uvic.ca/pensions](http://www.uvic.ca/pensions)

## Benefit Payments (# of members)

As at December 31, 2025

	2024	2025
Pensioners	1,111	1,144
Transfers & Lump Sums	50	65

<sup>1</sup> This financial reconciliation is preliminary and unaudited. Audited financial statements are in progress. The amounts shown above will be different to the amounts shown on page 11 due to cash and accruals. Audited financial statements will be posted to the Plan's website once finalized.

<sup>2</sup> This includes custodial, consulting, office and administration, audit and legal fees

# FUNDING & PLAN VALUATION

## Overview

Maintaining the financial sustainability of the Plan is a top priority.

Legislation requires defined benefit (DB) plans to be reviewed by an actuary at least every three years. Actuarial valuations are a comparison of a pension plan's assets and promised benefits (liabilities), to help determine what contribution levels are needed to ensure a pension plan can continue to meet obligations into the future, even during market volatility.

The most recent valuation was undertaken as at December 31, 2022, and a new valuation, as at December 31, 2025, is currently in progress.

## Statutory Measures of a Plan's Financial Health

At a minimum, pension legislation requires administrators to consider two measures of a plan's financial health.

**Going concern valuations** measure a pension plan's position assuming the plan continues indefinitely.

- As of December 31, 2022, the Plan had a funded ratio of 114.0% representing a surplus of \$57.2 million

**Solvency valuations** measure whether the pension plan would have the ability to meet its obligations (liabilities) to its members if the plan were to be terminated at the valuation date.

- As of December 31, 2022, the Plan had a funded ratio of 85.1%, representing a shortfall of \$(44.0) million

## MEMBER CONTRIBUTION RATES

Contribution rates are based on actuarial valuation results and the terms of the Plan. Under collective agreements with CUPE locals, the cost of new benefits accruing (the "normal cost") is shared between Plan members and the university.

### Members contribute

- 4.78% of earnings up to the YMPE<sup>1</sup>
- 6.53% of earnings above the YMPE<sup>1</sup>

### University contributes

- 11.09% of earnings

## New Valuation in Progress

A new valuation is currently underway to measure the Plan's financial position as of December 31, 2025. Final results are not yet available. Results will be communicated in the fall. Preliminary information indicates that the Plan remains fully funded on the going concern basis, and that the solvency ratio has improved since the last valuation.

<sup>1</sup> The Year's Maximum Pensionable Earnings is \$74,600 for 2026.

# RISK MANAGEMENT

The Plan's governing bodies are committed to prudently and proactively managing the key risks associated with the Plan. The Plan's Governance Policy outlines the practices and processes that influence the risk management approach.



## Risk Management Framework

Risks are documented and monitored through the Plan's risk register, supported by periodic reporting on specific issues such as cybersecurity. Risk appetite is considered across all categories, with lower appetite areas receiving more conservative oversight and decision making.

## Governance

A suite of policies guide oversight and provide clarity on the roles and responsibilities of university staff, service providers, and the Committees. These policies also address areas such as committee member education, code of conduct, and Plan communications, ensuring strong and consistent governance practices.

## Legal and Regulatory

Compliance with all pension legislation and Board policies is monitored on an ongoing basis. When regulatory changes occur, the Board engages legal advisors with specialized pension expertise to ensure the Plan remains aligned with current regulations.

## Investments

Professional institutional investment managers and consultants support the Investment and Administration Committee in overseeing and implementing the Plan's investment approach. The Committee meets regularly with managers to monitor performance, risks and alignment with the Plan's objectives. Responsible investment practices are also monitored, and the Plan's asset mix and investment beliefs are reviewed periodically to ensure investments remain consistent with long-term goals.

## Funding

The Plan's Funding Policy reflects the nature of its long-term liabilities and is designed to work in tandem with the investment policies. It incorporates a long-term approach involving financial modelling and regular actuarial valuations to assess sustainability, manage contribution levels, and support the ongoing financial health of the Plan.

## Plan Operations

A dedicated Pensions Services office staffed by pension specialists manages the Plan's operations. The Committees monitor these operations through regular meetings, reporting and information sharing. All parties involved are expected to maintain robust cybersecurity policies and practices which meet industry standards.

# RESPONSIBLE INVESTING

The Plan's governing bodies believe that taking environment, social and governance (ESG) factors into consideration can have a positive effect on long-term financial performance and they are committed to investing responsibly. Responsible investing requires managing risks and identifying opportunities that create value for Plan members. To support this, the Investment and Administration Committee worked with a sustainability-focused consultant, Quinn+Partners, to develop a *Responsible Investment (RI) Policy* for the Plan in 2025.

## Our Policy at a Glance

The policy outlines the Plan's commitments and approach to incorporate ESG factors into investment decisions and activities to strengthen long-term returns while acknowledging broader impacts on society and the environment. Because healthy economies, stable societies, and a livable climate underpin long-term returns, climate change is a central focus. The Plan supports the goals of the **Paris Agreement** and aims to align investments with an objective of a low-carbon transition, including monitoring greenhouse gas (GHG) emissions across the portfolio.

Our approach is aligned with the **UN Principles for Responsible Investment**, emphasizing ESG integration, active ownership, transparency, and collaboration. We work closely with current and prospective external investment managers to ensure ESG factors are embedded in due diligence, monitoring, proxy voting and corporate engagement. Managers report annually on how they address ESG risks and opportunities and how they use their influence to drive positive change. They also report on their GHG emissions and other metrics where available for the Plan's Investment and Administration Committee to evaluate.

Rather than broadly excluding investments, we focus on engagement and stewardship through our managers. This means encouraging companies to improve their practices, supporting transparency and using voting rights to promote sustainability. By holding managers accountable and escalating issues, when necessary, we aim to protect and grow long-term value and contribute to a more resilient economy and society.

To view the full RI Policy, please visit [uvic.ca/pensions](https://uvic.ca/pensions)

## Looking Ahead

The Plan's Investment and Administration Committee will continue to engage with our investment managers about their responsible investment processes and actions, communicating the high expectations that we have. We will continue to monitor climate-related and other ESG metrics and look to enhance our managers' and our own transparency. Annual RI-related updates will be provided through this report, and our website will be updated to reflect our commitment and progress to investing responsibly.



# INVESTMENT APPROACH

## Policy and Objectives

The Plan's Statement of Investment Policies and Procedures (SIPP) sets the investment objectives and outlines the principles, guidelines and monitoring procedures used to achieve them. Reviewed at least once a year, it defines the permitted investment categories, diversification requirements, asset mix and expected rate of return.

The fund's primary objective is to earn a return, net of investment fees, above the return of a benchmark portfolio constructed from the MSCI World Net index, a Custom Fixed Income benchmark, Consumer Price Index (CPI) + 4% for real estate and CPI + 5% for infrastructure, over rolling four-year periods. The benchmark portfolio targets a return of CPI + 4%.

## Performance Monitoring

The Investment and Administration Committee monitors the investments regularly, meeting with each manager at least annually to review performance, strategy, responsible investing practices, and other key topics. While short-term results are monitored, a disciplined investment strategy provides good results over the longer term. As a result, the focus is on evaluating investment performance over rolling four-year periods and longer.

## Asset Allocation

To help the Plan meet its long-term investment goals and manage risk, we invest in a range of asset classes through a diversified set of investment managers. Asset allocation is determined by considering various factors, such as the Plan's benefit promises and demographics and return and risk characteristics of the asset classes. The target asset mix is set out in the SIPP and is measured against allowable ranges for each asset class.

Asset allocation is monitored regularly, and the Committee works with the investment consultant (PBI) every few years on an Asset Liability Study to review the allocation in depth (see box below).

## Risk Tolerance

Given the Plan's current characteristics and long-term nature, a reasonable level of risk, in terms of short-term variability of returns, may be tolerated in the fund's investments in pursuit of longer-term returns. With the Plan's focus on risk management, investment managers are required to provide additional reporting of key risks along with their approach to managing those risks.

## 2025 ASSET LIABILITY STUDY (ALS)

An ALS is a comprehensive analysis that projects a plan's assets and liabilities (benefits earned/owed) under thousands of scenarios to develop a sustainable investment strategy. During an ALS, objectives and constraints are considered, and items such as expected investment returns and risk measures (volatility and scenario analysis) are modelled to help select an optimized asset mix that balances risk and return. This modelling supports informed decisions that aim to enhance the Plan's long term sustainability.

While the current investment strategy has worked well, the study showed that, based on PBI's long term capital market assumptions, further diversification can achieve a slightly higher return with less volatility. This can be done by increasing allocation to infrastructure assets, lowering allocations to equities and diversifying fixed income assets into mortgages.

# ASSET MIX & PERFORMANCE

## Pension Fund Asset Allocation

As at December 31, 2025

		Market Value (\$000s)	Current Allocation (%)	Long-term Target (%)
Fixed Income	PH&N	132,766	35.0	35.0 <sup>1</sup>
Global Equities	BCI, Pier21/CWW, Walter Scott <sup>2</sup>	153,433	40.0	37.5
Real Estate	BCI/QuadReal	38,767	10.0	10.0
Infrastructure	JP Morgan/Macquarie	59,590	15.0	17.5
Short Term <sup>3</sup>		122	0.0	0.0
<b>Total Market Value<sup>4</sup></b>		<b>384,678</b>	<b>100</b>	<b>100</b>

Solid positive nominal returns from the Plan's investments over the past several years have contributed to an improved funded position. However, more recently we have seen underperformance from some of the Plan's managers relative to broad market benchmarks. While the Plan's fixed income and infrastructure managers have consistently exceeded their benchmarks, global equity performance was affected by markets favouring momentum and growth rather than the Plan's focus on quality companies expected to deliver stable returns over longer periods. For the Plan's real estate investments, underperformance relative to an inflation-linked benchmark was driven in part by declining valuations and elevated inflation during this period.

- Fixed Income includes an upcoming 10% allocation to mortgages. A manager is expected to be selected in 2026.
- For Global Equity Managers, the target allocation is split 40/30/30 between Walter Scott, BCI and Pier21 (sub advised by C-WorldWide (CWW)).
- Small amounts of short-term investments (e.g. cash or money market) may be held and included within the manager's portfolios.
- Excluding cash and accruals.
- These returns are calculated using a time-weighted methodology. This methodology does not reflect cash flows into and out of the portfolio and is more appropriate for measuring performance against benchmarks. The returns are calculated by Northern Trust and verified by the Plan's investment consultant, PBI.
- Short term investment results are grouped with respective managers.
- Gross returns are reported

## Pension Fund Manager Returns<sup>5,6,7</sup> (%)

As at December 31, 2025

	1 YEAR	4 YEAR
<b>Fixed Income</b>		
PH&N	0.2	-4.2
<i>Benchmark (FTSE Canada Universe)</i>	-4.2	-6.0
<b>Global Equities</b>		
BCI	7.1	8.4
Pier21 (C-WorldWide)	6.4	-
Walter Scott	4.7	-
<b>Total</b>	<b>6.7</b>	<b>6.5</b>
<i>Benchmark (MSCI World)</i>	15.4	12.1
<b>Real Estate</b>		
BCI/QuadReal	-3.8	-1.1
<i>Benchmark (CPI + 4%)</i>	6.4	7.6
<b>Infrastructure</b>		
JP Morgan	10.3	11.5
Macquarie	8.2	16.4
<b>Total</b>	<b>9.4</b>	<b>13.7</b>
<i>Benchmark (CPI + 5%)</i>	7.5	8.6
<b>Total Fund</b>	<b>2.9</b>	<b>2.4</b>
<i>Policy Benchmark</i>	6.3	4.8

# PLAN GOVERNANCE

In alignment with the legislation outlined in the British Columbia Pension Benefits Standards Act, the University of Victoria is the Administrator of the Staff Pension Plan and has ultimate legal responsibility for the administration of the Plan and the investment of the Trust Fund.

To carry out these responsibilities, UVic's Board of Governors created three committees whose roles and membership are described below.

## Governance Committee

Tasked with strategic planning, this committee is responsible for establishing and overseeing the Plan's mission, goals and policies.

- Kane Kilbey (Chair)
- Andrew Coward
- Oliver Cowern
- Kristi Simpson
- Randi Topp

## Investment and Administration Committee

This committee oversees investments, operations and benefit administration.

- Andrew Coward (Chair)
- Raymond Aoki
- Sue Gaudet
- Kane Kilbey
- Michael Lancaster
- Mark Stephenson
- Randi Topp
- Kara White
- David Wolowicz

## Advisory Committee

This committee provides recommendations on member communications and the administration of the Plan. They also promote awareness and understanding of the Plan amongst the membership.

- Andrew Coward (Chair, AVP FPO)
- Sandy Bligh (retired member)
- Nykita Downie (CUPE 951)
- Nancy Hintz (Staff Exempt)
- Jason Insley (CUPE 917)
- Kane Kilbey (AVP, HR)
- Michael Rheault (CUPE 951)
- Jeff Wood (CUPE 917)

## OUR MISSION

To provide sound governance and prudent oversight of the management of the Plan assets and administration so that current & retired plan members are assured a secure pension.

# EXTERNAL MANAGERS & SERVICE PROVIDERS

As at December 31, 2025

## INVESTMENT MANAGEMENT

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<b>British Columbia Investment Management Corporation (BCI)</b>	Global equity and real estate investments.
<b>JP Morgan Asset Management</b>	Infrastructure investments
<b>Macquarie Infrastructure</b>	Infrastructure investments
<b>Phillips, Hager &amp; North Investment Management Limited (PH&amp;N)</b>	Fixed income investments
<b>Pier 21/C WorldWide</b>	Global equity investments
<b>Walter Scott &amp; Partners Limited</b>	Global equity investments.

## CUSTODIAN

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<b>The Northern Trust Company, Canada</b>	Trustee of Plan assets and benefit payment service provider.
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## INVESTMENT CONSULTANT & PERFORMANCE MEASUREMENT

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PBI Actuaries & Consultants

## ACTUARY

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Willis Towers Watson

## AUDITOR

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KPMG LLP

Precise terms of the Plan are provided in the Plan document and can be found at [www.uvic.ca/pensions](http://www.uvic.ca/pensions) or by request from Pension Services. We make every effort to ensure that the information in this report is accurate and complete. In the event of a discrepancy, the Plan documents, statutes, or regulations apply

Additional information about the University of Victoria Staff Pension Plan can be found at [www.uvic.ca/pensions](http://www.uvic.ca/pensions)



## Get in Touch!

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