



Department of Finance

**Government Money Purchase Pension Plan
Committee**

2017-2019 Activity Report

January 1, 2017 to December 31, 2019

Message from the Government Money Purchase Pension Plan Committee

The Government Money Purchase Pension Plan (GMPP) was established in 1989 as a capital accumulation plan designed to provide pension coverage for: part-time employees of the Government of Newfoundland and Labrador and its agencies; and full-time employees (of participating employers) who are ineligible to participate in other government-sponsored plans. The GMPP Committee provides oversight for the management of the plan.

Pursuant to the *Transparency and Accountability Act*, the GMPP Committee is a category 3 government entity, and as such, is accountable for the preparation of a three-year Activity Plan and for the achievement of the objective outlined in this plan. The enclosed Activity Plan is presented for the fiscal years ending December 31, 2017, 2018 and 2019. This Activity Plan meets the requirements of the *Transparency and Accountability Act* and has been prepared taking into consideration the following:

- the Strategic Directions of Government, in the area of the Committee's mandate
- the mandate of the Committee
- the financial resources of the Committee

As the Chair of the GMPP Committee, it is my pleasure to submit the Activity Plan for the GMPP Committee covering the fiscal years ending December 31, 2017, 2018 and 2019. My signature below is indicative of my accountability for the preparation of the plan and the achievement of its objective.

Yours sincerely,



Denise Hanrahan, CA, CPA
GMPP Committee Chair

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1.0 Overview

The Government Money Purchase Pension Plan (GMPP) was created under the *Government Money Purchase Pension Plan Act* on April 1, 1989. It was established to provide pension coverage for: part-time employees of Government and its agencies; and full-time employees (of participating employers) ineligible to participate in another government-sponsored plan. As of December 31, 2016, there were 31,919 plan member accounts under administration which included 12,839 active members (those who contributed to the GMPP during 2016) and 53 participating employers.

The operations of the GMPP are overseen by the GMPP Committee. Committee members are appointed by the Lieutenant-Governor-in-Council to advise the Minister of Finance, as Trustee, on the administration of the plan. The GMPP Committee has 11 members including representatives from Government and the plans' stakeholders, which includes employee groups. The Assistant Deputy Minister of Finance (Financial Planning and Benefits Administration) serves as the Chair.

2.0 Mandate

Pursuant to section 12.1 of the *Government Money Purchase Pension Plan Act*, the GMPP Committee is established by the Lieutenant-Governor-in-Council and mandated to administer the GMPP. This mandate is delivered by completing the following activities:

- Developing, implementing and reviewing investment alternatives to provide plan members with the ability to make an active investment decision with respect to their accumulated funds
- Promoting the plan and education of plan members on the importance of taking an active interest in their investments
- Overseeing investment options to ensure that contributions accumulated to the credit of plan members are invested prudently in the investment classes prescribed by the Committee
- Overseeing the services provided by the Record Keeper and the performance of the Investment Manager

3.0 Values

Under the GMPP, the level of benefits provided at retirement is dependent upon the contributions and the income earned on those contributions during an employee's career. It is therefore critical that participating employees become actively engaged in the management of their respective plan assets in order to ensure security in retirement. The GMPP has therefore established the following principle value that guides the work of its committee members:

Self Determination: All plan members have a right to make or not to make an active investment decision with respect to their accumulated funds.

4.0 Primary Clients and Stakeholders

The primary clients of the GMPP Committee are the employees who participate in the plan. The stakeholders for the GMPP Committee are the Minister of Finance, as Trustee; the 53 participating employers; and the unions which represent the participating employees.

5.0 Vision

The vision of the GMPP Committee is the maximization of the amount of pension funds available at retirement for all participating employees.

6.0 Objective

The GMPP Committee is mandated to assist the responsible Minister with the administration of the Money Purchase Pension Plan and provide recommendations on matters referred to them by the Minister. Responsibilities of the Committee include the development, review and implementation of investment policies; the recommendation of investment consultants, custodian and investment managers for appointment; and the review of all activities of the plan administrator, Great West Life. Additionally, the GMPP Committee is responsible for assisting pension plan members to decide how to allocate employee and employer contributions to a variety of investment vehicles. The main objective is to achieve a maximum accumulation of benefits at retirement.

The GMPP Committee is committed to fulfilling its mandated responsibilities. As such, it will provide annual reports detailing the activities it undertook during each fiscal year covered by this Activity Plan (i.e., December 31, 2017, December 31, 2018 and December 31, 2019) in compliance with its mandate.

Objective: By December 31 2017, 2018 and 2019, the GMPP will have advised the responsible Minister on the administration of the Money Purchase Pension Plan.

Indicators:

- Developed, implemented and/or reviewed investment alternatives to provide plan members with the ability to make an active investment decision with respect to their accumulated funds
- Promoted the plan and educated plan members on the importance of taking an active interest in their investments
- Provided oversight of investment options to ensure that contributions accumulated to the credit of plan members are invested prudently in the investment classes prescribed by the Committee
- Provided oversight of the services provided by the Record Keeper and the performance of the Investment Manager
- When requested, provided recommendations to the responsible Minister on matters referred to the Committee