

Board Terms of Reference

INTRODUCTION

This document sets out the general mandate and responsibilities of the Board of the Teachers' Retirement Allowances Fund (TRAF).

SOURCE OF THE BOARD'S MANDATE AND DUTIES

The Board is mandated to administer *The Teachers' Pensions Act* (TPA) pursuant to subsection 41(1) of the TPA. The Board's duties as a pension plan administrator are further defined by *The Pension Benefits Act* and the common law.

Pursuant to subsection 50(1) of the TPA, the Board is also trustee of the Teachers' Retirement Allowances Fund. As such, the duties of trustees that are set out by *The Trustee Act* and the common law also applies to the Board. The beneficiaries of the trust are the individuals who are receiving or may receive benefits from the plan.

BOARD DUTIES

As a statutory administrator and trustee, the Board's duties shall include, but shall not be limited to, ensuring the plan is administered so that:

1. all applicable statutes, regulations and common law are followed;
2. the fund and its assets are held, managed and invested in a prudent and good faith manner;
3. beneficiaries and potential beneficiaries of the plan are treated in an even-handed manner;
4. members and beneficiaries are provided with appropriate information about the general state of the fund and the plan and information about the options that are available to them as beneficiaries under the plan;
5. the basic principles of procedural fairness are observed;
6. legally required or otherwise appropriate actuarial reports or valuations are made, including the annual valuation of the Pension Adjustment Account and the calculation of annual cost of living adjustments;
7. there is cooperation with the annual audit of the fund by the Office of the Auditor General;
8. there is appropriate prudence and planning with respect to operating costs (including the development and approval of an annual operating budget) and that such operating costs are reviewed and, if appropriate, paid on a timely basis;
9. financial and other required information is appropriately recorded and stored, with such records to include contributions by individual members and payments to them, as well as details of all investment transactions;
10. there is appropriate prudence in the sourcing and engaging of service providers; and
11. the Board obtains appropriate advice with respect to responsibilities that are carried out by the Board itself, and it retains employees and consultants to carry out administrative functions in accordance with Board direction.

The Board shall draw appropriate guidance from best practices guidelines, including those established from time to time by the Canadian Association of Pension Supervisory Authorities (CAPSA).

INDEPENDENCE OF THE BOARD

All nine members are appointed by the Lieutenant Governor in Council. Three of the nine must have been nominated by The Manitoba Teachers' Society and one of the nine members must have been nominated by the Retired Teachers' Association of Manitoba. Once appointed, a Board member shall fulfil their duties as statutory administrator and as a trustee independently, diligently and in good faith, regardless of who nominated them and any other affiliations the Board member might have.

STANDARD OF CARE AND RELIANCE ON EXPERTS

In the discharge of their duties under the Board's mandate, each member of the Board shall be obliged to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances where they are dealing with the affairs and property of another person.

In the discharge of their duties, the members of the Board may rely in good faith upon the report and findings of any expert engaged to report upon the matter under consideration.

POLICY DIRECTION

The Board is responsible for providing overall strategic direction and addressing all matters of policy. The Board's responsibilities in this regard shall include, but shall not be limited to, providing direction and monitoring implementation in the following respects:

1. the fund's mission statement;
2. the strategic initiatives of the plan (to be documented from time to time in a strategic plan);
3. the identification of the principal risks of the fund and the risk management system that will address them;
4. the fund's Statement of Investment Policies and Procedures;
5. the fund's human resources policies; and
6. communication with the Minister responsible for the TPA.

COMMITTEES

The Board may establish committees of its members from time to time to assist with fulfilling the duties of the Board. The Board may also appoint external members to a committee under such terms as the Board considers appropriate. The existence of a committee shall not, however, reduce the responsibilities of the Board. The Board remains accountable for all decisions, including those recommended by a committee.

PRESIDENT & CHIEF EXECUTIVE OFFICER

The Board shall be responsible to select and employ a President & Chief Executive Officer (CEO) to lead the organization and to perform all related activities, such as setting objectives, monitoring performance and establishing a succession plan.

DELEGATION AND REPORTING

The Board may, subject to specific limitations that are stated or implied by law, delegate administrative tasks to employees and agents. Generally, these tasks shall be delegated to the President & CEO who, in turn, shall allocate certain tasks to staff and consultants and manage and monitor their performance.

For the purposes of monitoring delegated tasks, the President & CEO shall prepare and present to the Board any and all regular and/or special reports as the Board may request from time to time. Such reports shall be in such form as the Board may prescribe. The Board may also request reports prepared by a consultant or agent providing services to TRAF.

In addition to such regular reports, the President & CEO shall be required to inform the Board on a timely basis of any matter that might require Board consideration and/or action.

INTERACTION WITH THE ACTUARY

The Board shall ensure that the independence of the plan's actuary is respected and that there is appropriate exchange of information and recommendations between the Board and the plan actuary. The Board shall observe legislative and other legal requirements with respect to whether a valuation is to be made by the plan actuary or by the Board itself on the recommendation of the plan actuary.

ANNUAL REVIEW

The Board shall review its Terms of Reference on an annual basis to ensure that it remains relevant and complete.



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