

Compliance activities “at-a-glance”

April-June 2019

Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards with the exception of the Retirement Readiness goal
- Recordkeeper notified the staff of two errors which originated in their system: (1) payroll changes and adjustments reports were not printed or communicated to employers between April and July; (2) the addition of QNEC source of funds to the plans caused an erroneous transaction confirmation; the email was sent to all participants who selected the electronic delivery of their confirmation letters. The recordkeeper is in the process of correcting the errors and making the participants whole where applicable
- Custodian, Investment consultant and proxy adviser met their respective performance standards

Investment guidelines daily monitoring



- All investment managers were compliant with their respective guidelines
- No prohibited holdings identified in applicable departmental divestment policies were held in the Supplemental Retirement Plans Group Trust portfolio during the quarter
- Staff continued their due diligence process with respect to the potential addition of China class A shares to the global portfolios and reviewed changes to the investment management guidelines where applicable

Corporate governance update



- The proxy season was successfully concluded with over 8,936 voted on behalf of the Plans
- The Department implemented Standing Instructions voting for certain ballots which significantly reduced the need for manual voting
- The Corporate Governance Committee will review the Department's Divestment Policy in the third quarter

Policy update



- The annual reviews of relevant policies and desktop guides are tracking to plan
- Two new desktop procedures were added to the SRP Policy and Procedure Manual
- The staff drafted the “Understanding the Definition of Compensation” article which was published in the June edition of Retirement Monitor for the participating employers
- The staff continues to focus on the Foreign Markets Tax Reclaims procedure to improve efficiency of the process

Complaints and inquiries



- The plans' recordkeeper received a total of six complaints, four of which were invalid. Complaints were associated with the website availability
- One additional complaint was received by the staff directly and satisfactory solution was provided to the participant
- Staff is in the process of managing two individual employer issues associated with employer contributions and general contribution types

Multi-employer plan management



- The Plan Process Improvements project has been concluded successfully
- Upon the conclusion of the project, significant need for employer education has been identified in the areas of payroll management, contribution submission and plan provisions
- The Employer Education Enhancement project commenced in June to address the potential areas of concern with participating employers
- The project is scheduled to be finalized at the end of the current fiscal year

