

**Alberta Teachers' Retirement Fund Board**  
**(officially known as the Teachers' Pension Plans Board of Trustees)**

**Mandate and Roles Document**

The Mandate and Roles Document ("this Document") for Alberta Teachers' Retirement Fund Board ("ATRF"), officially known as the Teachers' Pension Plans Board of Trustees, has been jointly developed in accordance with the *Alberta Public Agencies Governance Act* by the President of Treasury Board and Minister of Finance ("the Minister") and ATRF, with the collaboration of the ATRF's members (the "Board") appointed pursuant to subsection 5(3) of the *Teachers' Pension Plans Act*. Complete details of the ATRF's mandate, roles, responsibilities, accountability relationships, planning and reporting requirements, and other related matters may be obtained by reference to the applicable legislation, directives and other documents.

**1. ATRF Mandate, Roles and Responsibilities**

1.1 ATRF is a corporation pursuant to the *Teachers' Pension Plans Act* ("the Act").

1.2 ATRF provides pensions for Alberta teachers, and works with the Government of Alberta, the Alberta Teachers' Association ("the ATA"), and participating employers in this regard.

1.3 ATRF is the trustee and administrator of the Teachers' Pension Plan and the Private School Teachers' Pension Plan, (the "Plans") and is custodian of the Pension Funds under the Act.

1.4 ATRF administers the Teachers' Pension Plan for all Alberta teachers employed in school jurisdictions and charter schools. ATRF also administers the Private School Teachers' Pension Plan for teachers employed by those private schools in Alberta that have elected to join the plan.

1.5 ATRF makes various benefit payments; provides information to members and beneficiaries; sets, collects and reconciles funding contributions and payments; and establishes investment policies and invests the assets of the Plans.

1.6 ATRF has responsibilities under, and is subject to the:

- *Teachers' Pension Plans Act* (RSA 2000 c T-1);
- *Teachers' Pension Plans (Legislative Provisions) Regulation* (AR 204/95); and
- *Teachers' and Private School Teachers' Pension Plan* (AR 203/95).

1.7 ATRF is also subject to certain other legislation, orders, directives, and policies.

1.8 ATRF has its own budget and expenditure authority, and employs its own staff. ATRF staff are not subject to the *Public Service Act*.

1.9 To the extent ATRF has a function or process under section 1(1)(a) of the *Alberta Public Agencies Governance Act* it is a public agency having an adjudicative function.

1.10 ATRF is responsible for its activities and for the fulfilment of its mandate, and is accountable to the Minister respecting its activities.

1.11 ATRF's and the Minister's mutual expectations in respect of communication, collaboration and consultation with each other include the provisions in respect thereof in this Document and such other provisions as they may mutually determine.

## **2. Roles and Responsibilities of Others**

### **The Minister**

#### 2.1 The Minister:

- 2.1.1 is accountable to the public for the activities and performance of ATRF;
- 2.1.2 recommends the appointment of Board members to the Lieutenant Governor in Council, in accordance with the Act;
- 2.1.3 monitors whether ATRF is acting within its mandate and achieving its objectives;
- 2.1.4 reviews and responds to matters that require the action of the Minister in the Act and this Document;
- 2.1.5 when appropriate, seeks advice or information from the Board Chair (“the Chair”) and ensures that communication channels are available for the Chair to consult with the Minister;
- 2.1.6 when appropriate, ensures that material developments and significant emergent issues affecting the work of the Board are brought to the Chair’s attention on a timely basis;
- 2.1.7 advises ATRF, as the Minister considers appropriate, respecting any government policies applicable to ATRF or its activities or operations; and
- 2.1.8 conducts a review at least every seven years of ATRF’s mandate and in the review considers, among other things, whether and the extent to which ATRF's mandate continues to be relevant to the goals, priorities and policies of the Government of Alberta and the needs of members of the Plans.

## **The Department of Treasury Board and Finance (“the Department”)**

### 2.2 The Department:

- 2.2.1 coordinates, as required, with ATRF on matters related to Crown payments under the Act and financial reporting;
- 2.2.2 consults, as required, with ATRF on all proposed legislative and regulatory changes, and related policy initiatives; and
- 2.2.3 coordinates, as required, with ATRF on matters related to recruitment and appointment of members of the Board.

## **The Board**

### 2.3 The Board:

- 2.3.1 is responsible for the governance of the ATRF and, subject to constraints by or under applicable legislation, exercises independent judgement in overseeing the management of the business and affairs of ATRF;
- 2.3.2 approves and monitors the strategic plan, business plans, budget and performance results of ATRF;
- 2.3.3 establishes and administers a code of conduct governing the conduct of the Board and ATRF employees, and seeks, on a regular basis, reasonable assurance that ATRF has an ongoing, appropriate, and effective process for ensuring adherence to the code;
- 2.3.4 assesses any significant risks to which ATRF is exposed and seeks assurance, on a regular basis, that ATRF has ongoing, appropriate and effective risk management processes and policies;
- 2.3.5 appoints the Chief Executive Officer (“the CEO”), sets the CEO’s responsibilities, monitors and evaluates the CEO’s performance, and approves the CEO’s compensation;
- 2.3.6 establishes and annually reviews the CEO succession plan, and ensures that the CEO maintains an updated succession plan for key ATRF staff positions;
- 2.3.7 establishes an audit committee and other such committees as it deems necessary to carry out its duties and ensures that a written mandate of each committee is approved and reviewed annually. The Board has established the following committees:
  - Audit Committee;
  - Finance and Planning Committee;
  - Human Resources and Compensation Committee;
  - Investment Committee; and
  - Review Committee;

- 2.3.8 monitors the financial performance of the ATRF, oversees the effectiveness of internal controls and reporting systems, and ensures that, with the advice of the staff of the Office of the Auditor General, the financial results are reported on a timely and regular basis and in accordance with any legislated requirements and generally accepted accounting principles;
- 2.3.9 oversees compliance with all relevant policies, procedures, and standards by which the ATRF operates, and ensures that the ATRF operates at all times in compliance with all applicable laws and regulations;
- 2.3.10 approves all matters that require Board approval as prescribed by applicable legislation and regulations;
- 2.3.11 identifies appropriate business processes to assist in fulfilling its mandate;
- 2.3.12 when appropriate, ensures that all material developments and significant emergent issues of the ATRF are disclosed to the Minister on a timely basis;
- 2.3.13 provides an orientation process, training and ongoing development opportunities for Board members;
- 2.3.14 ensures that the Board, through a process led by the Chair, conducts an annual evaluation and review of the performance of the Board, its committees, the Chair, and individual Board members;
- 2.3.15 addresses how ATRF interacts with the general public and stakeholders, and oversees policies that clearly identify roles and responsibilities in the area of communication with the public; and
- 2.3.16 develops mechanisms to communicate with the Minister, as required, on items of mutual concern.

## **The Chair**

### 2.4 The Chair:

- 2.4.1 with direction from the Board, represents the Board and its interests, as well as the interests of the ATRF, in dealing with the Minister, the ATA, the CEO, stakeholders and the community;
- 2.4.2 provides leadership for the Board, effectively facilitates the work of the Board, and plans and manages Board meetings;
- 2.4.3 when appropriate, provides the Minister with updates on ATRF's operations and informs the Minister regarding emergent issues;
- 2.4.4 ensures the Board discharges its independent oversight role of management and that the Board, and its committees, have opportunities to meet independent of management;

- 2.4.5 ensures that the Board conducts an annual evaluation of its performance, the work of individual Board members and the performance of the CEO; and
- 2.4.6 ensures that the process for ensuring adherence to ATRF's code of conduct is effectively applied and that conflict of interest matters are addressed by the Board.

## **The CEO**

### 2.5 The CEO:

- 2.5.1 is accountable to the Board, responsible for the day-to-day management of ATRF, and the development and execution of ATRF's strategic and business plans;
- 2.5.2 ensures that programs and services are being delivered within the mandate, standards, policies and Board-approved budget of ATRF;
- 2.5.3 provides support, as required, to the Board to allow it to carry out its governance responsibilities; and
- 2.5.4 maintains, as required, effective communications with the Chair, the Deputy Minister of the Department, the Executive Secretary of the ATA, stakeholders and other business partners.

## **3. ATRF Reporting Requirements**

3.1 The Chair will provide to the Minister the following reports, prescribed pursuant to section 14(1) of the *Teachers' Pension Plans (Legislative Provisions) Regulation*:

- 3.1.1 the annual report, with financial statements and management discussion and analysis;
- 3.1.2 the actuarial valuation report for each plan;
- 3.1.3 the auditors' report prepared by the Office of the Auditor General;
- 3.1.4 the actuarial valuation report of the pre-September 1992 benefit period of the Teachers' Pension Plan with related cash-flow projections;
- 3.1.5 the actuarial extrapolations of the pre-September 1992 benefit period of the Teachers' Pension Plan and the post-August 1992 benefit period of the Teachers' Pension Plan; and
- 3.1.6 any analysis or report relating to the pre-September 1992 benefit period of the Teachers' Pension Plan that is requested by the Minister.

3.2 The Chair will provide to the Minister a copy of ATRF's business plan as soon as practicable after its approval by the Board.

3.3 ATRF will provide to the Minister all other reports required to be provided by law and that are not otherwise provided for in this Document.

#### **4. Recruitment and Appointment of Board Members**

4.1 The recruitment process for members of the Board includes the matters provided for in section 13 of the *Alberta Public Agencies Governance Act*. The members are nominated by the Minister or by The Alberta Teachers' Association and appointed by the Lieutenant Governor in Council.

4.2 Where a vacancy of one of the members of the ATRF Board occurs, ATRF will provide the Minister with and the Minister will consider:

- ATRF Board Competencies
- ATRF Board Charter of Expectations
- ATRF Code of Professional Conduct
- ATRF remuneration policy
- The required competencies and the targeted skills identified from the Board's most recent skills matrix assessment.

4.3 Further information on the recruitment processes for the nominations by the Minister and by the ATA are shown in the attached Appendix 1.

#### **5. Interaction Between ATRF and the Department**

5.1 ATRF, the Department, and Education will establish and maintain effective processes for the payment and reconciliation of payments required under the Act to ATRF:

5.1.1 for funding requirements of benefits related to service after August 1992; and

5.1.2 for funding requirements of benefits related to service prior to September 1992.

5.2 ATRF, the Department, and Education will consult, as required, on proposed legislative and regulatory changes, and related policy initiatives.

5.3 Coincident with the funding actuarial valuation of the Teachers' Pension Plan, or in such other timely fashion as agreed between ATRF and the Department, ATRF will arrange for an actuarial valuation of that plan for the Province's financial reporting purposes using assumptions and methods specified by the Department.

## **6. Administration**

### **Review of the Mandate and Roles Document**

- 6.1 This Document shall be in effect for not more than three years from the latest date this Document is signed by the Minister and Chair (“the Expiry Date”). It must be renewed or revised by the Expiry Date.
- 6.2 This Document must be affirmed annually by the Minister and the Chair, or on a change in either the Minister or Chair.

### **Transparency**

- 6.3 A signed copy of this Document will be filed with the Agency Governance Secretariat. In support of the principle of transparency, this Document is available to the public on the ATRF’s website at <http://www.atrf.com>.

### **Periodic Agency Review**

- 6.4 A review of ATRF’s mandate and purpose will be carried out by the Minister in accordance with the review process developed in consultation with the Agency Governance Secretariat.
- 6.5 The next review for ATRF is scheduled for the year 2015.

### **Transition**

- 6.6 In this Document, “Minister” means at any time the Minister responsible for the *Teachers’ Pension Plans Act*, and “Department” shall be construed as that Minister’s Department.

[Original signed by Greg Meeker]  
Chair  
Alberta Teachers’ Retirement Fund Board  
Edmonton, Alberta  
July 31, 2012

[Original signed by the Honourable Doug Horner]  
President of Treasury Board and  
Minister of Finance  
Edmonton, Alberta  
July 31, 2012

## **Appendix 1: ATRF Board Member Nomination Processes**

### A. Nominations by the Alberta Teachers' Association

The recruitment of members of the Alberta Teachers' Retirement Fund Board for nomination by The Alberta Teachers' Association (ATA), pursuant to section 5(3)(b) of the Act, will, subject to the concurrence of the ATA, follow the following process:

- (a) When a vacancy of one of the Board members, who were originally nominated by the ATA, occurs, the CEO of ATRF, on behalf of the Board, will advise the Executive Secretary of the ATA of the vacancy.
- (b) The CEO will also advise the Executive Secretary of the ATA of the:
  - ATRF Board Competencies;
  - targeted skills identified from the most recent ATRF Board Skills Matrix assessment;
  - ATRF Board Charter of Expectations and the expectation that any finalist applicant must agree to fulfill the expectations of the ATRF Board Charter of Expectations before she/he is recommended by the ATA to the Minister;
  - ATRF Code of Professional Conduct and remuneration policy; and
  - requirement to obtain any finalist's written agreement to undergo criminal, conflict of interest and financial screening by ATRF prior to being recommended by the ATA to the Minister.
- (c) The Chair will participate in the ATA's selection and nomination process, including providing input on the list of finalists to the Provincial Executive Council of the ATA.
- (d) The list of finalists will be considered by the Provincial Executive Council of the ATA.
- (e) The Executive Secretary of the ATA will provide the Minister with a nomination of the top applicant.
- (f) On receiving any valid nomination made by the ATA, the Minister shall forward it forthwith to the Lieutenant Governor in Council.



## B. Nominations by the Minister

Subject to the concurrence of the Minister from time to time, the practice has been and, if the Minister considers it appropriate, will continue that the recruitment of members of the Board for nomination by the Minister, pursuant to section 5(3)(a) of the Act (referred to here as “government nominees”), will follow the following process:

- (a) One of the three government nominees will be nominated by the Department of Education (“Education”), one by the Department, and one external nominee will be nominated by the Department in consultation with Education. Nominees will be recommended to the Minister for approval.
- (b) Nominations will take into account an assessment that the nominee has the appropriate knowledge, skills, experience, and values to assist the Board in achieving the mandate of ATRF, and the required competencies and the targeted skills identified from the Board’s most recent skills matrix assessment. Nominees will also be asked to disclose if they have a beneficial interest in the Plans.
- (c) When a vacancy of the Education nominee occurs, Education will conduct a recruitment process and provide a list of finalists to the Minister, with a recommendation of the top applicant.
- (d) When a vacancy of the Department’s nominee occurs, the Department will conduct a recruitment process and provide a list of finalists to the Minister, with a recommendation of the top applicant.
- (e) When a vacancy of the external Board member occurs, the Department will conduct the recruitment process in consultation with Education. Applicants will be screened by a nominating committee chaired by the Department. The committee will include one official from Education, one official from the Department, and one government-nominated member of the Board. The nominating committee will provide a list of finalists to the Minister, with a recommendation of the top applicant.
- (f) The Department will conduct criminal, conflict of interest, and financial screenings of the finalist for any vacant position.
- (g) In all cases, the Minister will make the final nomination in writing to the Lieutenant Governor in Council for the Board positions.