

Centre for Public Sector Labour Relations and Compensation

Total Compensation Strategies Branch

OPSEU Pension Plan Trust Agreement

- On February 21, 2017, OPTrust submitted 13 proposed amendments to the Trust Agreement to TBS for approval, which are currently under review
- TBS recommends using this opportunity while amending the Trust Agreement to develop and propose additional governance-related amendments to address recent concerns about certain OPTrust compensation and expense practices
- The additional amendments include:
 - A **code of conduct for the Trustees**, including a conflict of interest protocol
 - A process for **setting compensation that aligns with the principles of the BPS Executive Compensation Framework** for certain OPTrust executive positions including:
 - 30 day advance notice to both Sponsors prior to the public disclosure, including the comparative analysis conducted
 - A **public disclosure requirement** for Executive Compensation with principles similar to the disclosure requirements of publicly listed companies, and consistent with other public sector funds
 - No pre-approval required for Investment Division employees, as international travel is necessary as part of their duties to monitor investments
 - A requirement to **produce and disclose an Annual Operating Expense Report** to both Sponsors, including but not limited to:
 - Staffing costs
 - Information Technology
 - Communications
 - Audit fees
 - Year-over-year comparison
 - Office premises
 - Professional services
 - Depreciation
 - Out of country expenses

Next Steps

- ADM CPSLRC high-level discussion with OPSEU regarding TBS' proposed governance amendments
- Finalize recommended governance-related amendments
- Provide OPTrust with detailed feedback and governance-related proposals
- Obtain OPSEU approval of the final Trust amendments
- Seek TB/MBC approval if required

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