



**43rd ANNUAL MEETING – SEPTEMBER 2021**

**Annual Meeting of the International Fisheries Commissions Pension Society  
Information Paper and Highlights  
(Prepared by the NAFO Secretariat)**

The annual meeting of the International Fisheries Commissions Pension Society (IFCPS) was scheduled to be hosted by the North Pacific Marine Science Organization (PICES) 13-15 April 2021 in Victoria, British Columbia, Canada. As a result of travel restrictions due to COVID-19, the meeting was held by video-conference. The meeting was attended by the Executive Directors and Finance Officers of the seven International Fisheries Commissions with headquarters located in Canada and the United States of America. NAFO was represented by Fred Kingston, Executive Secretary, and Stan Goodick, Deputy Executive Secretary/Senior Finance and Staff Administrator. Also attending the meeting were the IFCPS directors appointed by the Governments of Canada and the United States of America.

Below are the highlights of the meeting and a copy of the meeting minutes can be made available upon request:

**Actuarial Valuation**

The Commissions which are members of the Pension Plan of the IFCPS, rely on an actuarial valuation to ensure the Plan's sustainability and inter-generational equity as well as determining the required employee/employer current year service contributions and potential special deficit payments.

The latest funding valuation of the Plan's assets and liabilities was performed *as of 01 January 2020* by the actuarial firm, Mercer (Canada) Limited. The preliminary results of the valuation were presented at last year's meeting with the final report being adopted at the November 2020 mid-year conference call.

Below is summary of the valuation results for NAFO and the impact on the NAFO budget for the next three years. The report can be made available from the Secretariat upon request.

NAFO's Pension Fund Asset Summary	Actuarial Valuation	Actuarial Valuation
	January 1, 2020	January 1, 2017
Market Value of Assets	\$6,863,000	\$5,512,000
Total Liabilities	\$9,965,000	\$8,718,000
<b>Deficit</b>	<b>(\$3,102,000)</b>	<b>(\$3,206,000)</b>
Funded Ratio (Going Concern)	69%	63%

<b>Additional Funding to Cover Deficit</b>	<b>Actuarial Valuation January 1, 2020</b>	<b>Actuarial Valuation January 1, 2017</b>
Deficit	(\$3,102,000)	(\$3,206,000)
Annual funding of deficit	\$310,200 (Divided equally over 10 years)	\$320,600

	2020 Actuarial Report Investment Return Assumption	2017 Actuarial Report Investment Return Assumption			
	5.1%	5.4%			
The net discount rate assumption used in the 2020 valuation was lowered to 5.1%					
The 2020 valuation assumes that investment returns for 2020-2022 will be lower due to low interest rates					
A decrease in the net discount rate results in larger liabilities and higher employer current service costs					
Employer Current Service Costs	2022	2021	2020	2019	2018
Employer contributions based on % of salaries	12.8%	12.8%	10.5%	11.4%	12.1%

In accordance with the results from the January 2020 valuation, the **2022 budget estimate includes a provision for the following costs within the Superannuation and Annuities budget line item.**

Deficit Payment	\$310,200
Employer Current Service and Admin Costs	\$184,800
Total	\$495,000

### Investment Returns

Global equity markets rebounded strongly in 2020 and closed with solid gains after the COVID-19 Pandemic related downturn. The Investment Funds of the IFCPS Pension Plan closed out the year with an encouraging return on investments of 9.4% (net of fees) which was in line with benchmark returns of similar investment markets. The 9.4% investment return was also 4.3% higher than the Plan's actuarial investment return assumption of 5.1%.

<b>Plan Investment Returns (Net)</b>			
<b>2020</b>	<b>2020 Actuarial Report Investment Return Assumption</b>	<b>3 Year Average 2017-19</b>	<b>2017 Actuarial Report Investment Return Assumption</b>
9.4%	5.1%	7.2%	5.4%

**Electronic Files**

The electronic files of the IFCPS have historically been stored on a secure SharePoint site housed by one of the Commissions. At last year's meeting, the Society was informed the files could no longer be housed on the Commissions server and therefore a subgroup was established to review options for a secure central hub for online file storage and file sharing for both current meeting and historical documentation. The subgroup reported that Dropbox would be used to host the Society's documents and that almost all documents have been uploaded. The Secretary noted that the remaining documents will be scanned and uploaded once COVID restrictions are eased, and the Secretary will also seek views from the Society on storage and organization options.

**Amendments to the Society By-Laws**

Discussions continued from the prior year on ways to strengthen the governance of the Pension Society, including a review of the roles of the membership, the roles of the President and Vice-President positions, assignment of the position of the Chair, and greater involvement by the Commission Members, etc. To address the concerns, a subgroup was established inter-sessionally to review the Society By-Laws and the proposed amendments were presented and adopted at the Annual Meeting.

**2022 Annual Meeting**

The next annual meeting of the IFCPS will be hosted by the North Pacific Marine Science Organization (PICES) during the week of 04 April 2022 in Victoria, British Columbia, Canada.

**Quick Facts about NAFO's Pension Plan**  
**As of December 31, 2020**

Plan	The Pension Plan of the International Fisheries Commissions Pension Society for Employees of Participating Commissions with Headquarters in Canada	
Participating Commissions	Northwest Atlantic Fisheries Commission (NAFO) North Pacific Anadromous Fish Commission (NPAFC) North Pacific Marine Science Organization (PICES) Pacific Salmon Commission (PSC)	
Plan Type	Defined Benefit Pension Plan	
Investment Funds	<b>Investment Category</b>	<b>Fund Name</b>
	Canadian Bonds	Mercer Universe Bond Fund
	Growth Fixed Income	Mercer Opportunistic Fixed Income Fund
	Canadian Equity	Mercer Canadian Equity Fund
	Global Equity	Mercer Global Equity Fund
		Mercer Global Low Volatility Equity Fund
		Mercer Global Small Cap Equity Fund
	Emerging Markets Equity	Mercer Emerging Markets Fund
<b>NAFO</b>		
Employees	11	
Pensioners	15	
Deferred Pensioners	1	
Asset Market Value	\$7,575,485 (2019 - \$6,863,787)	
Funding Status	The latest draft actuarial valuation as of January 1, 2020 indicated a deficiency in NAFO's pension fund of \$3,102,000 (2017 - \$3,206,000)	
Plan Solvency Ratio	In accordance with the latest draft actuarial valuation as of January 1, 2020, the solvency ratio of the Plan was approximately 68% (2017 - 62%). This means that if the Plan had been terminated on that date, the Plan assets would not have been sufficient to meet the estimated cost of all the benefits accumulated up to January 1, 2020.	
Deficit Funding	Annual funding required to reduce plan deficit: <div style="text-align: center;"> Deficit ÷ 10 years  \$3,102,000 ÷ 10 = \$310,200 per year </div>	
Future Valuation Date	The next actuarial valuation is scheduled for January 1, 2023	