UNIVERSITY OF REGINA

ACADEMIC AND ADMINISTRATIVE BENEFITS COMMITTEE

ANNUAL REPORT

for the year 2002

About the Academic and Administrative Pension Plan

The Academic and Administrative Pension Plan was established on 1 July 1965. Until January 1, 2000, the plan was solely a defined-benefit plan, meaning that a member's pension was calculated using a formula based on the member's salary history and years of service at retirement. The plan also allowed the transfer of entitlements -- including the portion of an individual's account arising from the accumulated contributions of University -- out of the plan upon retirement, death or resignation. As of January 1, 2000, the University closed the defined benefit component of the pension plan to new members and introduced a defined contribution component for eligible individuals who joined the University on or after January 1, 2000. Members of the defined benefit component were allowed to choose between remaining with defined benefit or transferring either future service or past and future service to the defined contribution component.

Membership in the plan is compulsory for academic and administrative staff. The plan currently has about 400 defined contribution members, 375 defined benefit members, 29 defined contribution/defined benefit members. Approximately 200 retired members are receiving pension benefits under the plan.

Mandate of the Committee

The Academic and Administrative Benefits Committee (AABC) is a sub-committee of the Human Resources Committee of the Board of Governors. The mandate of the Committee is to advise the Board on matters relating to benefit plans for academic and administrative staff, including:

- The Academic and Administrative Pension Plan
- The Group Life Insurance Plan
- The Salary Continuance Plan
- The Travel Insurance Plan
- The Extended Health Plan
- The Family Dental Plan

Master Trust

The assets of the three University of Regina pension plans – the Academic and Administrative Pension Plan, the Non-Academic Pension Plan and the Pension Plan for Part-Time Employees – have been combined into a single investment portfolio called the Master Trust Fund. The investment of funds in the Master Trust Fund is provided by the Joint Pension Investment Committee (JPIC), which is comprised of all members of the AABC and the Non-Academic Benefits Committee (NABC).

Message from the Chair

The AABC had a reasonably busy year in 2002, meeting eight times over the year. In addition, the JPIC, whose members include the AABC and members of the NABC, met five times in 2002. The JPIC oversees all aspects of the investment of the Master Trust Fund, including assessing, if necessary, recommending to the Board of Governors revisions to the investment policy, monitoring investment performance, meeting with representatives of the investment companies employed by the Fund.

There were a few changes to the pension plan in 2002. An actuarial valuation revealed that the pension plan was in a surplus position as of December 31, 2001. As a result, the AABC recommended some plan improvements that were approved by the Board. Most of the Committee's time was spent on the following:

- Obtaining the costs of various plan improvements and developing a recommendation for plan improvement;
- Considering the impact of market volatility on the pension plan;
- Assessing our basic, dependant and optional life insurance plans and developing recommendations that were forwarded to URFA and the University Administration;
- Initiating a review of the Long Term Disability program.

As members of the JPIC, AABC members, along with their counterparts on the NABC, participated in a comprehensive review of the asset allocation of the Master Trust Fund. As a result, a new investment policy was developed, recommended to the Board and approved. Implementation of the new policy is now underway. Full implementation should be achieved by July 1, 2003.

The year 2002 was another challenging time for investors. While many analysts were predicting a strong recovery from the market declines in 2001, a combination of fear of further terrorist attacks, instability in the Middle East, the possibility of a war with Iraq and ongoing accounting fraud shook confidence in markets around the world. As a result, we witnessed a considerable decline in stock market indices in 2002. Canadian markets fell for the second consecutive year – something that has not occurred for nearly 30 years. U.S. markets fell for a third consecutive year for the first time in more than 60 years. Despite the poor market performances in 2000 and 2001, the Master Trust was able to post positive returns as a result of its diversification into bond and real estate investments. However, in 2002 there was "nowhere to hide" and some positive returns in bonds and real estate were unable to offset the losses in equity portfolios. As a result, the Master Trust Fund experienced its first negative return since 1990, a loss of 6.74%. The annualized return over the previous four years was 4.0%.

It is important to remember that the purpose of pension funds is to provide resources for retirement income for plan members. It is reassuring that the Plan was still in a position to enhance benefits in 2002, in spite of recent investment performance. Investment performance will be discussed in depth in subsequent sections of this report.

It takes a variety of skills and knowledge to run a large pension plan efficiently in a complex and ever-changing investment and regulatory environment. In order for our voluntary committee to be able to perform this task, it needs to rely on the expertise of a number of consultants. The AABC has been well-served by the people who we have contracted to assist us and are pleased to pay tribute to:

1. John Montalbano and his colleagues at Phillips, Hager and North of Vancouver, our primary investment manager;
2. Janet Julé and her colleagues at James P. Marshall, who assist the Committee in assessing investment performance. In 2002, Jan led our comprehensive review of the investment strategy of the Master Trust Fund, which led to significant changes in both the asset mix and the distribution of assets across investment managers.
3. Don Ireland, the Plan's actuary, and the staff of Aon Consulting Inc., who provided actuarial and benefit advice.
4. Kaylynn Schroeder, Ryan Duesing and their associates at Aon Consulting Inc. in Regina for their benefits expertise.

Special thanks go to the Committee's recording secretary, Darlene Marchuk, who is also Manager of Pension and Benefits in Human Resources. Darlene and her associates in Human Resources - Louise Doan, Jeanette Pageot and Temple Howat – have provided efficient day-to-day administration of the pension and insurance plans.

As Chair of the AABC and as Co-Chair of the JPIC, I would like to thank the members of both committees for their dedicated and effective service to the membership of the plan and the University as a whole. I would like to thank Bob McCulloch for his contributions to the Committees' work and wish him well at the Saskatchewan Institute of Applied Sciences and Technology. Dale Schoffer, Director of Financial Services, was appointed by the Board of Governors to take Bob's place effective July 1, 2002. Also leaving the AABC was Brian Johnson, President and CEO of Crown Life Insurance, who had completed his term as a member of the Board of Governors. We thank Brian for his valuable service to the AABC. Bonnie Dobni, Director of Human Resources, was named by the Board of Governors to replace Brian Johnson and we welcome her return to the AABC and look forward to her contributions to the work of the Committee.

Gary Tompkins, Chair

The Pension Plan

Review of 2002 Investment Performance

The University Pension Plans declined by 6.7% in 2002

In world equity markets, 2002 was a year to forget. Following on the heels of weak or negative returns in the prior two years, global equity markets were again negative in 2002.

In Canadian equities, the S&P/TSX Composite index fell 12.4% in 2002, almost matching the 12.6% loss in 2001. Positive returns for the Energy, Materials, Utilities and Consumer Staples sectors were overshadowed by losses in the other six sectors in the index. Technology companies led the decline. Small capitalization stocks (-0.9%) fared better than large cap stocks for the second consecutive year.

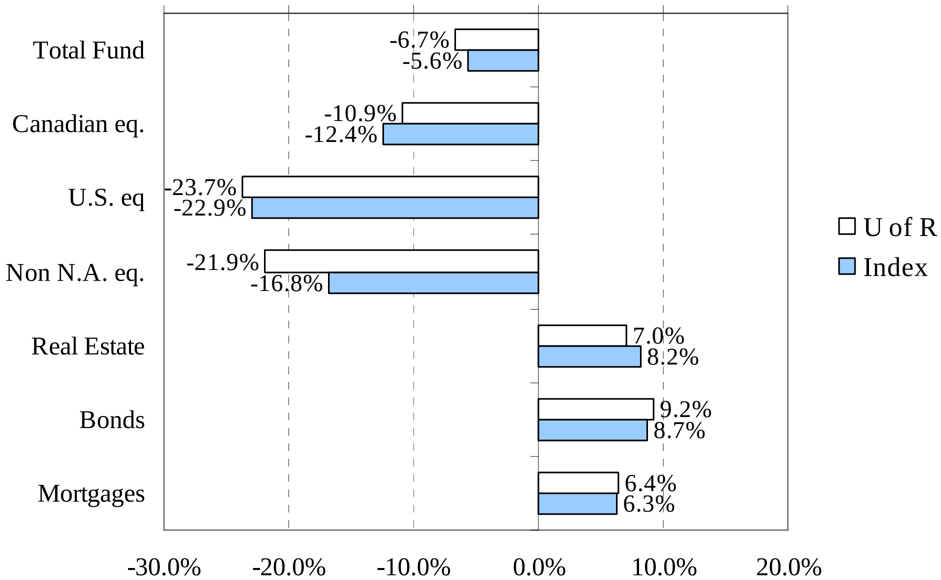
In U.S. equities, the S&P 500 fell 22.9% in Canadian dollar terms in 2002. This marked the third consecutive year of negative returns and the longest annual losing streak since 1939-41. By sector, there was nowhere to hide as all 10 sectors earned negative returns in 2002. Information Technology and Telecom Services stocks lagged other sectors. In addition to losses in all large cap (S&P 500) sectors, weak results also spread to the mid cap S&P 400 (-14.5%) and small cap S&P 600 (-15.5%) indexes.

Non-North American equities, as measured by the EAFE index, lost 16.8% in 2002, which followed returns of -16.7% in 2001 and -11.2% in 2000. In local currency terms, all twenty-one EAFE countries posted losses in 2002. In Canadian dollar terms, Austria (15.4%) and New Zealand (14.6%) earned positive results as a declining Canadian dollar generated currency gains for these, and most other EAFE countries. For the second successive year, Emerging Markets (-8.9%) outperformed developed markets as select countries posted double digit gains.

As was the case in 2001, bond and short-term investment returns in 2002 were positive, illustrating the benefits of diversification in balanced portfolios. The Universe Bond Index earned a solid 8.7% return in 2002 after earning 8.1% in 2001 and 10.2% in 2000. In all periods, capital gains from declining interest rates generated much of the favourable return, as interest rates fell to 40-year lows. Outside of the index, real return bonds (15.3%) and high yield bonds (12.8%) had outstanding results.

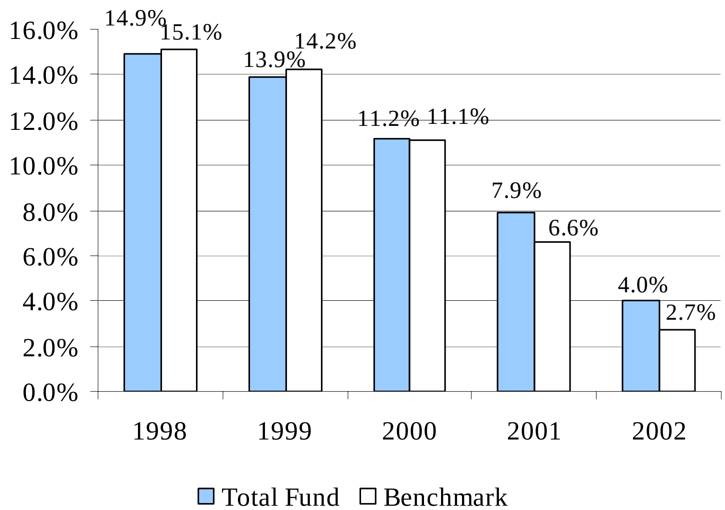
The 4th quarter recovery in equities was not enough to keep most pension funds in positive territory in the year. For the University of Regina Master Trust, the –6.7% annual return was also below the –5.6% benchmark return. As shown below, performance within asset classes was mixed, but generally detracted value. U.S. and non-North American equities trailed the indices as did real estate, which more than offset added value in Canadian equities and fixed income. Asset mix positioning also detracted from relative performance, due to an overweight position versus target weights in U.S. and Canadian equities coming into the weak mid-year period.

Investment Performance
For the Year Ended December 31, 2002



The Plan's primary investment objective is to exceed the benchmark return over rolling four-year periods. Over the past four years, the Total Fund return exceeded the objective by 1.3%. Above index results in Canadian and non-North American equities, as well as bonds, drove the four-year value added. The following chart provides the longer-term track record of the Fund. Over the last three periods, and over the longer term, the Plan's managers have met objectives.

Academic Plan
Rolling Four-Year Returns



In addition to monitoring performance relative to the benchmark return, the Fund performance can be put in perspective by comparing the result against those of a universe of institutional funds. The 2002 result of –6.7% placed below the –5.4% median fund return in the Russell/Mellon Canadian Trust Universe. Over the past four years, the Fund slipped just below the 4.1% median with a 4.0% result.

The following table shows the Total Fund relative to the Russell/Mellon Universe and individual asset class returns relative to other funds in the PALTrak Universe for Pooled Funds over the past year and four-year periods.

Stronger relative results were seen in bonds with a first quartile result (top 25% of funds in the survey), and Canadian equities, which sat at median and second quartile respectively.

U.S. equity results trailed other managers, particularly over four years, where over 75% of the pooled funds in the survey had a better result. An index manager was added to the U.S. equity mandate a year ago to improve tracking in this asset class.

Non-North American equities placed in the fourth quartile in the year reflecting a weak year for Templeton; longer term the manager has a strong record. The four-year non-North American equity result is also dampened by another manager's underperformance; that manager was removed from the Master Trust at the end of 2001.

2002 Relative Performance

Asset Class [2]	2002 Quartile [1]	4-Year Quartile [1]
Canadian equities	M	2
U.S. equities	3	4
Non North American equities	4	3
Bonds	1	1
Total Fund [2]	3	3

[1] Indicates the placement of the return relative to the PALTrak Universe for the asset classes. The Russell/Mellon Canadian Trust Universe is used for the Total Fund. Quartile 1 include the top 25% of funds by return, Quartile 2 represents firms in the 26-49% range, M is the median return, and so on.

[2] Real estate and mortgages are not shown, as universe comparisons were not available.

INVESTMENT PERFORMANCE OBJECTIVE

A number of performance objectives are set out for the pension plans. The primary objective is that the Total Fund return exceeds a benchmark portfolio return over rolling four-year periods.

The benchmark portfolio return is calculated by using index returns and asset class weights. The benchmark portfolio was in transition toward a new long-term target mix during 2002.

Policy weights in effect during 2002 are shown below as is the long-term asset mix to be phased in during 2003.

Asset Class	**Jan 02**	**Nov 02**	**Long Term Target**
Canadian equities	24%	22%	18%
U.S. equities	15%	16%	18%
Non North American equities	15%	16%	18%
Real estate & real return bonds	5%	5%	5%
Nominal bonds	38%	38%	38%
Short-term investments	3%	3%	3%

Within the various asset classes, the objective is to exceed the relevant index return.

The pension plans also have a long-term objective of earning a real return (net of inflation) of 3% per year.

In addition, the returns are evaluated on a relative basis to a universe of other pension plan returns.

The Master Trust

The assets of the University of Regina Pension Plans are invested in a Master Trust, which in turn are invested by the various managers under different mandates. Each of the pension plans: the Academic and Administrative Plans (defined benefit and defined contribution), the Non-Academic Plan and the Eligible Part Time Employees Plan buy (sell) units in the Master Trust based on the net inflows (outflows) for that plan. At the end of 2002, the Master Trust assets had a market value of $256.9 million.

The market value of the assets of the Academic and Administrative Pension Plan (including both the DC and DB components) decreased by $27.0 million over the past year. Growth from income partially offset the impact of capital losses and net withdrawals from the plan by members.

	December 2002	December 2001
Academic Plan Market Value	**$207,250,602**	$234,236,959

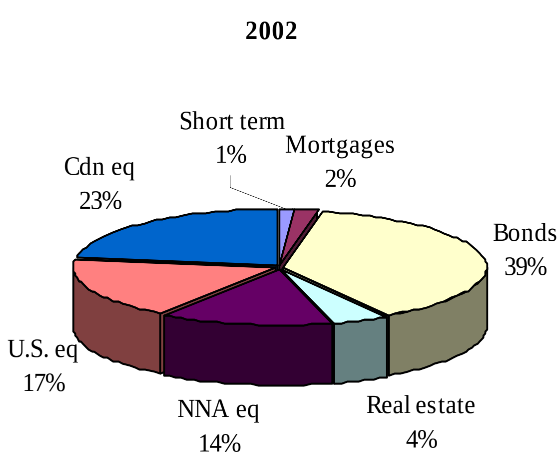
Asset Mix Summary

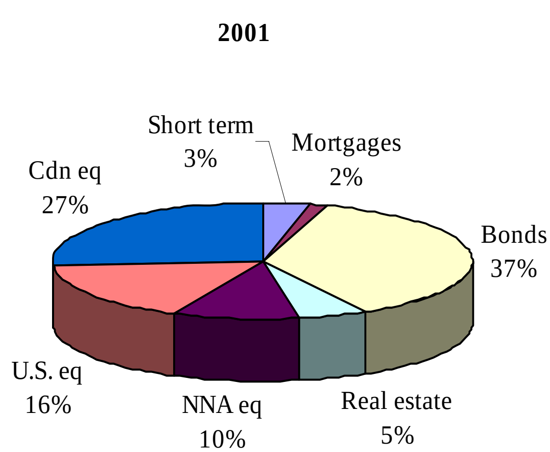
Investment activity in the year was driven by a benchmark change in the fall and asset mix rebalancing as market volatility required adjustments to keep the asset mix within targeted ranges.

Throughout the year, the Fund return was muted due to an overweight in equities, particularly Canadian and U.S. equities, during the second and third quarter equity market declines. Market volatility pulled equities below target coming into the fourth-quarter equity rebound. With stronger equity markets and rebalancing in the fourth quarter, the total equity weight was approximately on target at 54.2% of the Fund by year-end. Within that allocation, Canadian and U.S. equities were above target weight, while non-North American equities were below.

Distribution of Assets

(as a percentage of year-end market values)





Distribution of Assets by Manager

Throughout 2002, Phillips, Hager & North continued to manage a balanced mandate and most of the Master Trust assets. Templeton managed non-North American equities for the University during 2002. The non-North American equity mandate managed by Baring was transferred to Templeton in January 2002. Barclays manages a passive U.S. equity mandate while the other three specialty managers oversee real estate investments.

In February 2002, Sun Life announced the wind-up of its real estate pooled fund. At the end of 2002, that wind-up was largely complete. Real estate has provided diversification benefits to the Fund, and historically has also performed well in rising inflation environments. The proceeds of the Sun Life wind up have been allocated to real return bonds as a cost effective way of maintaining exposure to inflation-sensitive assets.

	2002	2001
Phillips, Hager & North	**72.9%**	76.8%
Real Return Bonds	**1.6%**	
Penreal Property Trust	**2.0%**	1.9%
Westpen Properties Ltd.	**2.2%**	1.9%
Sun Life	**0.2%**	1.3%
Baring		2.8%
Templeton	**14.1%**	9.9%
Barclays	**7.0%**	5.4%
	100.0%	100.0%

Detailed Analysis of Investment Returns

The S&P/TSX Composite index fell 12.4% in 2002. Technology companies (-64.8%) had very weak returns, which, when combined with losses in the Health Care (-42.8%), Industrial (-30.6%) and Consumer Discretionary (-20.3%) sectors, pulled the index into negative territory. There was some positive news in 2002, however, as the Energy (+13.7%), Materials (+7.0%) and Utilities (+6.3%) sectors posted positive returns. Small capitalization stocks (-0.9%) lost less than large cap stocks in the year.

Despite a –10.9% result for 2002, performance relative to the index was solid. The Fund’s Canadian equity portfolio benefited from a good representation in strong performing names and an overweight in the Financial Services sector. Exposure to smaller cap companies through PH&N’s Small Float Fund also enhanced returns as the -5.9% result was well above the index and the –10.9% median return. Over four years, the 6.7% Canadian equity return was above the 2.0% index return and 6.0% median result.

In U.S. equities, the S&P 500 fell 22.9% in Canadian dollar terms in 2002. This marked the third consecutive year of negative returns with 2001 and 2000 showing losses of 6.4% and 5.9% respectively. Similar to the Canadian market, Information Technology and Telecom Services stocks lagged in the year, although all 10 sectors earned negative returns.

The total U.S. equity result trailed the index in the year with a –23.7% result. The passive manager, Barclays, provided a near index result, while the active manager, PH&N, underperformed. The PH&N portfolio lost ground in the fourth quarter, due to an underweight in the three sectors that led the index rebound (Telecom, Info Tech, Materials). Over the past four years, the University's result was below the index and ranked in the fourth quartile of the PALTrak universe.

Non-North American equities, as measured by the EAFE index, lost 16.8% in 2002. In local currency terms, all twenty-one EAFE countries posted losses in 2002. By region, Europe (ex-U.K.) led the 2002 decline with a –21.1% result. Other regions fared better, particularly Pac Basin (-7.4%), followed by Japan (-11.2%) and the U.K. (-14.8%). Emerging Markets (-8.9%) outperformed developed markets as select countries posted double-digit gains.

Non-North American equities were managed solely by Templeton in 2002, and by a combination of Templeton, Baring and PH&N in earlier years. Templeton returned -21.9%, underperforming by 5.1% in the year. A weak third quarter showing pulled down the annual result. A combination of country allocation (underweight Japan), and stock picks underperforming their respective sectors detracted value. Over four years, Templeton met objectives, with their –3.1% result pulling the total asset class return (-5.5%) above the –7.3% index result. Relative to other funds, the combined effort of the University's international managers placed below the median return over four years.

The real estate market return, as measured by the Russell Canadian Property Index (RCPI™), provided an estimated return of 8.2%. The fund's investments in real estate are made via Westpen Properties and Sun Life, which provided 6.4% and 6.7% respectively. The Fund had a return of 10.1% over four years for equity real estate, matching the index. The Fund also has exposure to a real estate financing vehicle through Penreal Property Trust. Penreal provided an 8.3% return net of fees in the year, which was less than bonds, but well ahead of the negative equity returns.

The Universe Bond Index earned a solid 8.7% return in 2002 after earning 8.1% in 2001 and 10.2% in 2000. Capital gains from declining interest rates boosted returns in this low inflation environment. Through 2002, provincial bonds (10.1%) and municipal bonds (10.6%) led federal (8.1%) and corporate (8.6%) bonds. Outside of the index, real return bonds (15.3%) and high yield bonds (12.8%) had outstanding results.

The University's active bond portfolio returned 9.2% in the year, representing 0.5% in value added relative to the Universe Bond Index. PH&N also added 0.5% per year over each of the past three rolling four-year periods. Performance has been boosted by solid performance in corporate bonds, aided recently by a small high yield component.

In late 2002, a small allocation was made to real return bonds, which are federally issued bonds that have principal and interest payments linked to moves in inflation. This is essentially a passive mandate that is being administered by PH&N separately from their balanced mandate.

Interest Rates

There are now two annual interest rates to report, reflecting the two different components of the pension plan. The defined benefit component employs rate of return smoothing by attributing the geometric average of the four previous calendar year rates of return (less 0.5% and expenses) to the fund-related account balances on December 31, 2002. The defined contribution component of the fund attributes actual investment returns in the current year, less expenses. Owing to the nominal investment return in 2002 being low relative to previous years, defined benefit members were credited with a higher rate of return in 2002 than that credited to the defined contribution members.

2002 Credited Rates of Return

Defined Contribution Component	2002 investment return	-6.74%
	Less expenses	0.48%
	2002 Credited return	**-7.22%**
Defined Benefit Component	Geometric average of four most recent calendar years: 1998 – 2001 (net of expenses)	7.44%
	Less reduction	0.50%
	2002 Credited Return	**6.94%**

2003 Credited Rate of Return

Defined Benefit Component	Geometric average of four most recent calendar years: 1999 – 2002 (net of expenses)	3.47%
	Less reduction	0.50%
	2003 Credited Return	**2.97%**

Investment Policy Review

The JPIC reviews the investment policy annually. Given the increase of the foreign investment limit in 2000, the Committee decided to undertake a comprehensive investment review, which took place over 2001 and 2002, including asset allocation as well as the investment manager structure. A "first step" change in the investment policy was recommended, approved and implemented in 2001. The final adjustment to our investment policy was approved in 2002 and should be fully implemented by July 1, 2003. This review was conducted with the active assistance of Janet Julé of James P. Marshall Inc.

The key changes were to substitute real return bonds for real estate as an investment class and a significant redistribution of benchmark allocations within the equity portion of the portfolio. Both changes are intended to support the Committee's long-term policy of maintaining portfolio diversification in the Master Trust Fund as a means of mitigating investment risk.

Real Return Bonds

The fund has established a 5% benchmark for investment in real estate. For a decade, a portion of the Master Trust's real-estate investments has resided in the Sun Life Realty Fund I. During 2002, Sun Life decided to wind up this fund and return the proceeds to the investors. With the counsel of James P. Marshall, Inc., the JPIC looked for alternative real-estate investment opportunities, but found none that were considered suitable for the re-investment of funds released by the liquidation of the Sun Life fund.

One reason for placing a portion of pension fund assets in real estate is as an inflation hedge, since the historical record shows that real estate investments tend to produce excellent returns in times of high inflation – when stock and bond markets typically under-perform. With this in mind, the JPIC decided to recommend to the Board of Governors that, instead of a direct investment in real estate, the proceeds from Sun Life be used to purchase a portfolio of real-return bonds. This portfolio is to be accounted for separately from the rest of the Master Trust's bond portfolio and to be considered as part of the Trust's allocation to real estate.

In 2002, the Master Trust established a $4 million real return bond portfolio to be administered by PH&N. The Government of Canada issues real-return bonds. There are only three such issues, which differ considerably from a traditional bond. Typically, an investor pays, say, $100 for a bond with a set interest rate. The issuer of the bond (usually a government or a corporation) promises to pay the interest and to refund the full $100 when the bond matures; a Canada Savings Bond is a good example. By contrast, the purchaser of a $100 real-return bond will receive at maturity, not just $100, but an additional payment reflecting the rate of change in the Consumer Price Index (CPI) during the term of the bond. For example, if the CPI were to increase by 25% between the bond's issue and maturity dates, the investor would receive $125 at maturity for each $100 bond. In addition, interest is calculated using the inflation-adjusted principal of the bond, not its issue price. Because of its obvious inflation-protection features, real-return bonds appealed to the Committee as a good proxy for real estate investments.

Changes to Benchmark Portfolio

Members will recall that the plan's investment policy statement was revised during 2001 to allow the Master Trust to take advantage of a change in tax law that allowed pension funds to invest up to 30% of their assets (by book value) in foreign assets. The 2001 review raised the benchmark allocation to foreign investments from 20% to 30%, evenly split between U.S. and non-North American equities. At the time, the JPIC considered the possibility that the move to a 30% allocation could be a transitional step, since the plan's pension consultant, James P. Marshall Inc., had encouraged the committee to think about raising the foreign limit to a higher level.

During the mandatory annual review of the investment policy statement in 2002, the committee agreed to recommend to the Board of Governors that benchmark allocations be changed as follows:

The following table summarizes the changes:

	Benchmark Allocations	
	Old	**New**
Canadian equities	24%	18%
U.S. equities	15%	18%
Non-N.A. equities	15%	18%
Total equities	54%	54%
Bonds	38%	38%
Real estate/Real return bonds	5%	5%
Short-term investments	3%	3%
	100%	100%

The benchmark portfolio is one of the tools used by the Committee to monitor the performance of investment managers, as it is easy to compare a manager's actual rate of return with the return that would have been achieved if the plan's assets had been invested in market indices in accordance with the percentages above. The benchmarks also give guidance to the managers, especially Phillips, Hager and North, as to the pension plans' risk tolerance. PH&N may make allocations that vary from the benchmarks, within prescribed limits, whenever PH&N believes that returns would be enhanced by under- or over-weighting the allocation to a particular investment category.

While it may appear that the new investment benchmark is violating the 30% foreign content rule, some of the exposure to the U.S. is in the form of a synthetic investment fund that uses option instruments to replicate the S&P 500 stock index. These synthetic (or clone) funds do not count as foreign content and allow pension funds to exceed the 30% limit. A more detailed description of how the synthetic funds operate is contained in last year's report.

James P. Marshall presented a report to the Committee that looked at historical patterns of investment returns. Their analysis showed that an equal mix of Canadian, U.S. and "rest of the world" equities has historically provided the best mix of investment returns and risk reduction.

The Board of Governors approved the new benchmarks and the new benchmarks should be fully implemented by July 1, 2003. Copies of the investment policy document are available on request from Human Resources.

Actuarial Valuation

The provincial Pension Benefits Act requires the Actuary to conduct a formal valuation of the pension plan every three years. In 2002, the AABC received an actuarial report based on the period ending December 31, 2001. The previous valuation showed the plan to be in a strong surplus position.

	December 31, 2001
Assets	
Adjusted market value of assets	$ 214,309,000
Adjusted market value of assets held for defined contribution component	18,264,000
Present value of future contributions	27,496,000
Total value of assets	**$ 260,069,000**
Actuarial Liabilities and Surplus	
Actuarial present value of benefits for:	
• Active and disabled members – accrued benefits	$ 102,383,000
• Active and disabled members – future benefits	46,810,000
• Deferred Members - Suspended	7,291,000
• Inactive members	1,102,000
• Pensioners (non-temporary)	64,892,000
• Temporary pensioners	905,000
• Voluntary contributions	71,000
• Defined contribution account balances	18,264,000
Total actuarial liability	**$ 241,718,000**
Surplus	$ 18,351,000
Total Actuarial Liability and Surplus	**$ 260,069,000**

Note: The surplus noted above is after the implementation of the 2002 Amendment.

Amendments to the Plan

After seeking the advice of the Actuary, the AABC recommended, and the Board of Governors approved, the following changes to the pension plan.

1. The plan's annual formula indexation provision was improved to cover the full change in the Consumer Price Index (CPI);
2. The pensions of previously retired people were improved to reflect what they would be receiving if full indexation and the use of a best three year average salary formula had been in place when they retired;
3. Sections of the plan text were revised to incorporate compliance, legislative and housekeeping items.

Changes in Benefits

There were no major changes to the benefits and insurance plans. The AABC reviewed the current life insurance plans (basic, spouse/dependant and optional) and made recommendations to URFA and the University Administration regarding changes that may be considered. If any changes to the life insurance plans do occur, they will result from collective bargaining.

The AABC is also undertaking a review of the Long Term Disability plan with the view of assessing the current plan’s cost effectiveness and ways of improving the plan.

Audited Statements

The Provincial Auditor audits the financial status of the pension plan each year. The Provincial Auditor provided an unqualified opinion of the 2001 financial statements of the Master Trust and the University's three pension plans. Any member who would like to receive a copy of any of the audited statements should contact Human Resources at 585-4167 or consult the Financial Services Website at: http://www.uregina.ca/fs/financial_statements.html. The audited statements for 2002 should be available in August 2003.

Members of the Committee

• Norm Beirnes	Mathematics and Statistics (retired)
• Bonnie Dobni	Human Resources
• Peter Hemingway	Education
• Gaynor Kybett	Computing Services
• Dale Schoffer	Financial Services
• Jim Tomkins	President’s Office
• Gary Tompkins (Chair)	Economics

Recording Secretary

- Darlene Marchuk — Human Resources

Plan Administrator

- Jim Tomkins — Vice-President (Administration)

Actuary

- Don Ireland — Aon Consulting Inc., Saskatoon

Pension Consulting Services and Performance Management

- James P. Marshall Inc., a Hewitt Company, Regina

Investment Management Firms

- Phillips, Hager and North Investment Management Limited
- Penreal Capital Management
- Sun Life Financial Realty Advisors Inc.
- Franklin Templeton Investments
- Barclays Global Investors Canada Inc.

Custodian

- CIBC Mellon Trust, Calgary

Web Site

- http://www.uregina.ca/hr/Benefits/Academic.html