



46th ANNUAL MEETING – SEPTEMBER 2024

**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 hosted by the Government of Canada 16-18 April 2024 in Ottawa, Canada, with an option to join by videoconference. 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 Brynhildur Benediktsdóttir, 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:

Investment Returns

Mercer presented the performance measurement reports for the Canadian and American plans. Investment returns bounced back in 2023 for Canada's defined benefit pension plans. This is welcome news after weak market performance in 2022. The IFCPS Pension Plan's assets returned 9.97% (before fees) during the calendar year. The Fund lagged slightly behind the policy benchmark of 10.92% on a gross basis.

Plan Investment Return (before fees)	2023	2022
IFCPS Portfolio Plan Investment Performance	9.97%	-9.03%
Market Benchmark	10.92%	-9.87%

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 2023* by the actuarial firm, Mercer (Canada) Limited.

Summary of the valuation results for NAFO:

NAFO's Pension Fund Asset Summary	January 01 2023	January 01 2020
Market Value of Assets	\$7,611,000	\$6,863,000
Total Liabilities	\$10,404,000	\$9,965,000
Deficit	(\$2,793,000)	(\$3,102,000)
Funded Ratio (Going Concern)	73%	69%

Annual Deficit Payments:

Additional Funding to Cover Deficit	January 01 2023	January 01 2020
Deficit	(\$2,793,000)	(\$3,102,000)
Annual funding of deficit	\$279,300	\$310,260
	(Divided equally over 10 years)	

Employer Current Service Costs:

Employer Current Service Costs	2025	2024
Employer contributions based on % of salaries	11.0%	11.0%

In accordance with the results from the January 2023 valuation, the **2025 budget estimate includes a provision for the following costs within the Superannuation and Annuities budget line item.**

Deficit Payment	\$279,300
Employer Current Service and Admin Costs	\$177,700
Total	\$457,000

Administration

As there has been some turnover of directors and members, a half day training session was provided at the beginning of the meeting on pension plan governance. The training touched on the structure and processes for overseeing, managing and administering a pension or retirement plan to ensure the fiduciary and other obligations of a plan are met. It was agreed that training would be an ongoing process and topics for the next annual meeting would be discussed at the mid-year conference call.

Other administrative discussions and reviews included the Report of the Secretary, Examination of Statistical Reports, Internal Control Policy, Future Administration and the Review of Government Employee Pension Plan Developments.

2025 Annual Meeting

The next annual meeting of the IFCPS will be hosted by the Government of the United States of America (USA) during the week of 28 April 2025 in Washington, DC, USA. It was agreed that the meeting would provide a virtual/hybrid option for those not able to attend in person.

Due to budget constraints affecting both the government and Commissions, a proposal to explore a new AGM model has been put forward, which includes reassessing the hosting arrangement. Options being considered are to continue with Commission hosting or to alternate between governments. The two governments will discuss practical steps forward, pending further decisions.

**Quick Facts about NAFO's Pension Plan
As of December 31, 2023**

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	Investment Category	Fund Name
	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
NAFO		
Employees	10	
Pensioners	15	
Deferred Pensioners	3	
Asset Market Value	\$8,302,989 (2022 - \$7,629,442)	
Funding Status	The latest draft actuarial valuation as of January 1, 2023, indicated a deficiency in NAFO's pension fund of \$2,793,000 (2020 - \$3,102,000)	
Plan Solvency Ratio	In accordance with the latest draft actuarial valuation as of January 1, 2023, the solvency ratio of the Plan was approximately 73% (2020 - 69%). This means that if the Plan had been terminated on that date, the Plan assets at that date, plus future expected investment earnings, would not have been sufficient to meet the estimated cost of all the benefits accumulated up to January 1, 2023.	
Deficit Funding	Annual funding required to reduce plan deficit: Deficit ÷ 10 years \$2,793,000 ÷ 10 = \$279,300 per year	
Future Valuation Date	The next actuarial valuation is scheduled for January 1, 2026	
Employer Current Service Cost	11% - employer contributions based on % of salaries	