

# Challenges in Meeting Fiduciary and Administrative Compliance

Beverly Stoddart  
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# About Scotiabank: Over 75,000 employees in 60 Countries



Asia/Pacific  
Australia  
China Mainland (Beijing, Chongqing, Guangzhou, Shanghai)  
Egypt  
Hong Kong  
India  
Japan  
Malaysia  
South Korea  
Singapore  
Taiwan  
Vietnam



Canada  
U.S.A

Brazil  
Costa Rica  
El Salvador  
Guatemala  
Mexico  
Panama  
Chile  
Colombia  
Peru  
Uruguay  
Venezuela

Anguilla  
Antigua & Barbuda  
Bahamas  
Barbados  
Belize  
British Virgin Islands  
Cayman Islands  
Dominica  
Dominican Republic  
Grenada  
Guyana  
Haiti  
Jamaica  
Netherland Antilles &  
Aruba  
Puerto Rico  
St. Kitts and Nevis  
St. Lucia  
St. Maarten  
St. Vincent & the  
Grenadines  
Trinidad and Tobago  
Turks and Caicos  
U.S. Virgin Islands

# Global Pension & Benefits Objectives

The Bank's Global Benefit Objectives align with the Total Rewards Principles. The key components are as follows:

1. **Compliance/Governance** – Ensure that policies and practices are in compliance with legislative requirements, established good governance arrangements, oversight of our programs and due diligence practices.
2. **Competitive** - Align the Bank's benefit programme with the local market median to ensure that the Bank's benefits programmes are a competitive and effective "attraction and retention" tool.
3. **Sustainability** – Offer employees benefits designed to include effective cost management features and protocols, including employee cost-sharing, with a robust communication program. This fosters employee engagement, mitigates costs, liability and loss of reputation, and creates a sustainable plan in the long-term.
4. **Communication** – Open and transparent communication.

# Challenges

- **Acquisitions**

- Typically an existing entity with its own:
  - Legacy policies and programs;
  - Corporate culture;
  - Service providers (sometimes not up to our standards, e.g. not licensed in the jurisdiction)

- **Implementation of New Legislation , e.g. Barbados Occupational Pension Benefits Act (2003) – effective Feb 1, 2011**

- Although drafted for many years, the implementation seemed without notice
  - Infrastructure not ready
  - Service providers not set up with locking-in protocols
- Legislation modeled after Ontario's Pension Benefits Act & includes Joint & Survivor as Normal Form of Pension
  - Our female employees were upset that the law required payment to spouse when the preferred beneficiary would be children (adult or dependent) or other family members

# Challenges Cont'd

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- **Failure of a Caribbean Insurance Company**
  - Created a high level of concern/distrust of the new pension provider and investment security
- **Legacy Issues**
  - Policy and Governance centralized in Canada
  - How we provide pensions to many Caribbean employees
- **Mobile Employees**
  - Impact of non-residency on locally registered pension plans
  - Impact of non-residency on social benefits with pay split home/host

# Service Provider Standards

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## **Need Partners that:**

- Give timely advice on legislative changes & requirements
  - Insurance Acts, Pension Acts, Tax Acts, Labour Acts
- Know the local market norms
- Know the other service providers in the market