



Alberta Pensions Services Corporation  
**Business Plan 2023**



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## CEO Message – Reliability, Innovation and People

There is a special period between where you were and where you are headed. It is a time of reflection, visioning and coming together. As we planned for 2023, there was a real sense of this being a transition year: accepting the lasting impacts of the pandemic on business operations, implementing new technology, and launching a new five-year strategic plan.

While reflecting and planning, two factors became very clear to me. The success we see today is the result of the work we put in over the last five years to strengthen the foundation of our pension administration systems and build on our relationships with our pension plan clients. These commitments have led us to a new phase for the organization, where greater collaboration between all organizations will create innovations and enhance services to members and clients.

In the following business plan, you will see that we are staying focused on our foundational services, service reliability and process optimization. Examples of this are the automation of cash receipts, data validation and system upgrades.

The progress of the past provides significant opportunities for the future and creates great expectations to deliver on. We continue to serve those who serve Albertans, but we do so with an increased sense of collaboration with the pension plan clients and look forward to additional innovative services and solutions that will benefit all our stakeholders. I am proud of APS' work as we put our vision, mission and values into action to achieve even greater results.

Sincerely,



Darwin Bozek

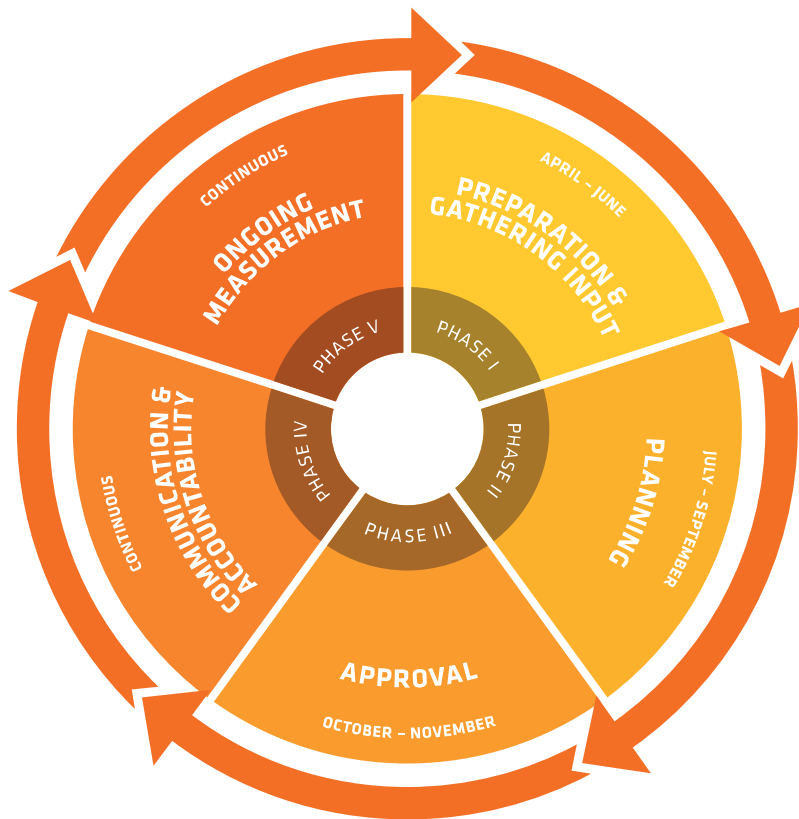
President and Chief Executive Officer

# Business Planning Process

Over the last few years, APS has been refining the business planning process, using a five-phase approach as shown in the diagram below. A primary goal of this process is to continuously strengthen the collaboration and transparency between APS and our clients. Consultation with clients is an integral step in ensuring that APS maximizes resources in a manner that best serves the needs of members, pensioners, employers and clients, and accounts for external factors such as budget constraints.

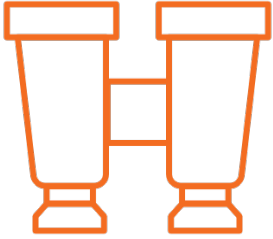
APS' continued commitment to a collaborative approach is reflected throughout the strategic plan, business plan, service delivery plans, project execution plans and corporate scorecard. For example, since 2021 we have worked closely with clients to develop a five-year APS and Client Strategic Roadmap (strategic roadmap) to define how we move forward and build the member experience. That roadmap, while still being finalized, impacts the projects and initiatives that make up our 2023 business plan. In addition, we are also finalizing our 2023-2027 Strategic Plan which will include new strategic objectives and priorities; we will publish the new strategic plan in early 2023. We will continue to collaborate with clients on key initiatives to achieve our new five-year goals and objectives.

During our planning process, a key step is the development and approval of service delivery plans. These plans contain our commitments for the year, including the fee budget for the annual initiatives and pension benefits administration services as outlined in the service agreements with our clients. We work with our clients to ensure their high-priority and high-impact initiatives are identified and implemented into our annual business plan, ultimately enabling us to prioritize projects and initiatives and to be effective within the directed budget.



# Vision, Mission & Values

Our vision, mission and values have remained consistent and they continue to represent our outlook for 2023 and beyond.



## Our Vision

### What We Strive to Achieve

Relentlessly pursuing excellence in pension benefits administration, to serve those who serve Albertans.



## Our Mission

### What We Exist To Do

As a pension benefits administrator serving Albertans, we are knowledgeable, caring professionals committed to guiding the pension experience, delivering the highest standard of accurate, cost-effective service.



## Our Values

### Do The Right Thing

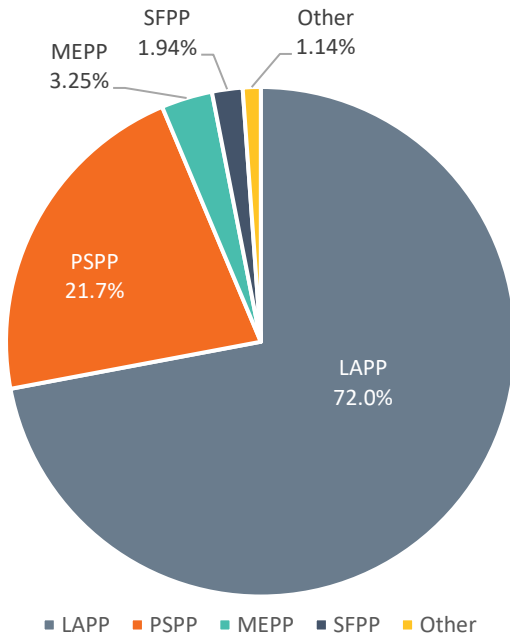
We are driven by our values to always "do the right thing."

- ▶ SERVICE  
Make every interaction count
- ▶ QUALITY  
What we do, we do well
- ▶ ACCOUNTABILITY  
Take responsibility

# Service, Clients & Scope

APS works alongside its clients to help guide the pension experience for members, pensioners and employers. In collaboration and consultation with the clients we serve and the Government of Alberta, we deliver services on behalf of the following seven public sector pension plans and two supplementary plans:

## MEMBERS BY PLAN



- ▶ Local Authorities Pension Plan (LAPP)
- ▶ Public Service Pension Plan (PSPP)
- ▶ Management Employees Pension Plan (MEPP)
- ▶ Special Forces Pension Plan (SFPP)
- ▶ Public Service Management (Closed Membership) Pension Plan (PSM(CM)PP)
- ▶ Members of the Legislative Assembly Pension Plan (MLAPP)
- ▶ Supplementary Retirement Plan for Public Service Managers (SRP)
- ▶ Provincial Judges and Applications Judges (Registered) Pension Plan (JRPP)
- ▶ Provincial Judges and Application Judges (Unregistered) Pension Plan (JUPP)

Currently, we provide services to over **500** employers, **400,000** members and pensioners around the world and manage over **\$6.3 Billion** in pension receipts and disbursements.

# Our Strategic Objectives

APS' strategic objectives are focused on improving the delivery of core pension benefits administration services in a cost-effective and efficient manner, and on improving relationships with our stakeholders. APS is currently finalizing the 2023-2027 Strategic Plan. As a result, the strategic objectives outlined below will shift and evolve as we move forward.



## 1. Enhance Stakeholder Relationships

We will strengthen the relationship between APS and the clients and other stakeholders we serve. We will constantly demonstrate the value of our services in order to better meet their needs.



## 2. Transform Member and Employer Interactions

We will enhance the interactions between APS, employers and plan members (active, deferred and pensioner) by considering audience age and stage, communication channels, access to information and self-service transactions.



## 3. Elevate Member and Employer Pension Benefit Education

We will commit to the education of employers and plan members in the reasons for and workings of defined benefit pension plans.



## 4. Optimize Service Delivery

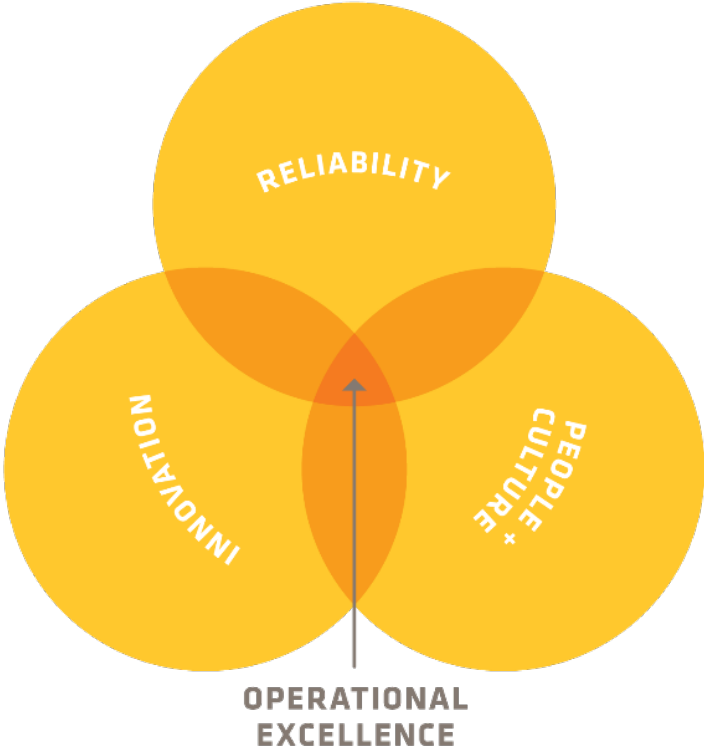
We will continue to focus on opportunities for innovation as a key way to administer and improve our services.



## 5. Align and Grow Workforce Capabilities

We will harness the passion and professionalism of APS employees and provide engaging management, performance measures and development opportunities.

# Key Themes for 2023



The three themes of APS—reliability, innovation, people and culture—will lead APS toward the ultimate goal of operational excellence, as illustrated in the diagram above. Success is in the services and support we provide members, pensioners and employers and will be achieved through continued collaboration with our clients.

## Reliability

*Strengthening a solid and dependable foundation*

To ensure we are delivering on our core pension benefits administration services in a cost-effective, efficient and high-quality manner.

## Innovation

*Exploring ways to improve*

To explore new ideas, methods, and capabilities for process improvements. Implement solutions with business outcomes, to deliver efficient and effective service. Target programs and projects that deliver value, environmental stewardship, and positive results for the people we serve and support and our employees.

## People & Culture

*Elevating a culture of service with a highly engaged workforce*

To foster an environment where collaboration and service come naturally because the people are inspired, empowered and values-driven.

Each theme is detailed in the following sections below, including discussion of some key projects and initiatives that support the achievement of target outcomes.



# Reliability

## Strengthening a Solid and Dependable Foundation

- ▶ To ensure we are delivering on our core pension benefits administration services in a cost-effective, efficient and high-quality manner.

We are accountable to our clients and their members, pensioners and employers for reliable pension services. Ultimately, we make sure members and pensioners receive the correct benefits and pension payments at the right time. Our benefits administration services are the basis of everything we do, and people count on us to consistently get them right. Every person at APS contributes to the core benefits administration work.

## 2023 Core Service Reliability Highlights

Our primary focus is on the core pension benefits administration services as defined in our agreements with clients, which are:

- ▶ Client services
- ▶ Members Services Centre
- ▶ Contributions management
- ▶ Member and pensioner management and communications
- ▶ Benefits calculations and disbursements
- ▶ Employer enrollment, support, education and compliance
- ▶ Compliance, regulatory and plan financial reporting

## Key 2023 Projects and Initiatives

The following descriptions are a high-level summary of significant projects and initiatives related to reliability that we will work on in 2023. Each project listed enhances the reliability of our systems and core services, which will have a positive impact on members, pensioners and employers. These projects and initiatives were identified and selected in collaboration with clients, and they are projects that support strategic priorities and align with the strategic roadmap or help support APS' efforts to improve processes and services. These initiatives are in addition to, and in support of, the activities and service level requirements outlined in each client's pension services agreement.

The descriptions are intended to be brief overviews and are not a reflection of detailed scope or timeline.

# Pension Benefits Administration System Upgrade

**Compass D6/D7 Upgrades:** The D6 upgrade will be fully completed in 2023 and we will embark on the next major release planned for Compass, APS' core pension administration application. The Compass release strategy is to advance the software with a major update periodically.

Similar to the D6 upgrade, the approach for D7, starting in 2023, will be to prepare delivery over the course of two years for a 2024 release. This release will include upgrades to the Employer Portal user interface, resulting in significant change for employer end-users. Additional delivery time is required to engage with employers to effectively deliver change management and training, in support of a smooth transition, to promote product adoption and to minimize disruption to critical employer activity. There will also be several change requests associated with this upgrade to lay the foundation for future work, ensuring resilience in the Compass system's environment, smoother integration of peripheral systems, and systems' readiness to handle future upgrades. It is imperative we keep our application up to date and maintain current versions or we run the risk of not being able to make changes needed to sustain our business.

APS will work with our system vendor on the required configuration and customization of Compass to deliver the upgraded version, with implementation to be completed in 2024. This project will review the changes to the Compass system and ensure that configuration of the application is complete and meets APS requirements.

Benefits:

The new version will include a significant number of new configurable features and provide increased performance and systems improvements. Other key benefits include:

- ▶ Core software improvements
- ▶ Root cause fixes for batch issues (e.g., stuck batches processing)
- ▶ Reporting and reconciliation improvements
- ▶ Lower support costs as enhancements and client request cost grows when more retrofitting is required
- ▶ Limit potential security vulnerabilities

Estimated completion: 2023 – 2024

## Planned IT Initiatives

The planned IT initiatives for 2023 include the following critical upgrades and implementations:

### 1. Angular JavaScript Upgrade

- ▶ The Angular JavaScript Software platform is the underpinning web development toolset used by APS. This project will upgrade the software to the newest version supported by the vendor. The software version currently being used will no longer be supported by the vendor. Upgrades will promote system stability and security and improve overall performance. The project will also enhance browser support for web applications with new and improved features and toolsets. Development commenced in 2021 and is scheduled to be completed in 2023.

### 2. Telephony Upgrade to Cloud

- ▶ This is a carryover from 2022 to explore additional functionality to the phone system for all employees, including the Member Services Centre. In addition, we are implementing cloud telephony as it provides disaster recovery support and integrates with other technologies (e.g. Microsoft Teams).

Estimated completion: 2023

# Innovation

## Exploring Ways to Improve

- ▶ To explore new ideas, methods and capabilities for process improvements. Implement solutions with business outcomes, to deliver efficient and effective service. Target programs and projects that deliver value, environmental stewardship, and positive results for the people we serve and support and our employees.

We are continually striving to provide cost-effective and efficient services. We constantly search for innovations and improvements, not only within the core services we offer every day but also in our major projects and initiatives. Whether we are building a new online tool for members, reworking a retirement process, or testing ways to use automation in our operations, we are using innovation to improve our services and the client, member, pensioner, employer and employee experience.

## Key 2023 Projects and Initiatives

The following descriptions are high-level summaries of significant projects and initiatives related to innovation planned for 2023. Each project listed embodies the innovation mindset to drive process improvement and efficiency and positively impact members, pensioners and employers.

These projects and initiatives were identified and selected in collaboration with clients, and they support strategic priorities and align with the strategic roadmap or help make our processes and services more efficient and cost-effective. These actions are in addition to, and in support of, the activities and service level requirements outlined in each client's pension services agreement.

The descriptions are intended to be brief overviews and are not a reflection of detailed scope or timeline.

## Automation of Cash Receipts

This project is to modernize and automate the cash receipting process and allow for integration with the banking report.

APS processes payments from employers, members and pensioners/estates daily. APS currently only accepts payment in the form of cheques or bank drafts for direct payment from payers for various scenarios including repayments of pensioner overpayments, lump sum payments from a member or financial institution for the purchase of past service, or transfers in from other pension plans (with reciprocal agreements).

The current payment options accepted by APS are limited in comparison to the number of convenient electronic payment solutions available. Without updated functionality in the system to process an electronic bank file, it is challenging to accept and process other forms of payment. Furthermore, the current processes are manual and result in inefficiencies in the cash receipting processes.

The automation of the cash receipting process will be implemented in two phases:

- ▶ Phase 1 – Implement the standard functionality available in the software vendor’s solution. The main functionality that would not be available in the standard product is related to amortization of payments for the purchase of prior service. Amortization of payments is unique to APS and would require additional customization.
- ▶ Phase 2 – Engage in discussions with clients on the amortization of payments and whether they want to consider future changes to the process for amortization of contributions or if they would like APS to explore the customization of Compass to allow for receipt of amortized contribution payments.

Benefits (Phase 1):

- ▶ Improved member experience as members or pensioners/estates will be provided with convenient and more efficient payment options.
- ▶ More timely withdrawal of funds from the member’s bank account, reducing the risk of insufficient funds.
- ▶ Potential higher collection of overpayments due to additional electronic payment methods.
- ▶ Potential higher participation in the buyback programs.
- ▶ Increased operational efficiencies as automation allows APS employees to focus on value-added work.

Estimated completion: 2023 (Phase 1)

## Buyback Prorations

Buyback periods are previous periods of service that a member can purchase to increase their pensionable service. Currently, the volume of resources devoted to buyback prorations is high. By adding automation to the buyback proration process, we can increase productivity and deliver exceptional service to our clients and their members. Automation will also reduce the risks associated with the manual solution.

In the existing process, buyback proposals are sent to members through the yearly buyback campaign or when a member submits an application. Once elected, the entire amount of service is credited upfront; however, a member can choose not to pay the entire amount or stop paying. If this happens, APS has to manually prorate, delete and change the buyback service and associated salary. Also, for a variety of reasons, members do occasionally stop making payments to the buyback they previously elected to purchase; this results in the need for manual calculation, deletion of service, and entry of the new prorated service. Stopping a buyback also causes reduced automation of pension events like retirement and termination, as the buyback needs to be stopped and prorated for these events to continue.

The proposed solution is to automate the functionality to prorate buybacks in the Compass system.

Benefits:

- ▶ Improved member experience with fewer touchpoints on a member file which results in quicker turnaround times.
- ▶ Increased system automation for high-volume transactions, resulting in improved efficiencies.
- ▶ Fewer touchpoints on pension events such as retirements and terminations.
- ▶ Reduction of risk when manually deleting and changing service in the system.

Estimated completion: 2023

## Pension e-guide Rebuild

This initiative commenced in 2021 and will be fully complete in 2023. The current Pension e-guide platform used by employers has reached its end-of-life and the rebuild is underway based largely on employer and client feedback regarding content accuracy and user experience.

Benefits:

- ▶ Improve employer experience, knowledge and awareness through customized and relevant content that is updated in real-time. This will improve employers' ability to meet the needs of members.
- ▶ Dramatically decrease time to review and update content.
- ▶ Able to provide customized content based on user analytics.

Estimated completion: 2023

## Your Pension Profile Analytics

Certain clients have requested enhanced data analytics to report more detailed demographic usage in Your Pension Profile, the secure member and pensioner portal that is integrated into the plan websites.

Currently, data analytics for the portal is provided by Google Analytics, a vendor-hosted service which is configured to track and report site traffic and event volume. However, Google Analytics' data on the portal does not link to portal registration and does not provide the level of detail required by two of the pension corporations. To solve this, APS will build a solution to aggregate portal login and user activity with the required demographic detail and deliver reporting capabilities.

The following enhanced features are planned (not limited to):

- ▶ Breakdown of portal account login activity by timeframe
- ▶ Total number of active member registrants
- ▶ Total number of deferred member registrants
- ▶ Total number of retirees/beneficiaries & pension partners in pay registrants

Benefits:

- ▶ Provides the participating clients with better knowledge of traffic to the portal area of their plan website, which enables directed, timely responses to member/pensioner needs.

Estimated completion: 2023

# People & Culture

## Elevating a Culture of Service with a Highly Engaged Workforce

Our people, and the people we serve, matter. Employees lean on the values (quality, service, accountability) to make decisions in support of our commitment to service—service to each other as well as clients and their members, pensioners and employers. This leads to an organization that is collectively “doing the right thing.”

At APS, we believe that leveraging the strength of our diversity is the key to delivering high-quality service and support, and to reaching operational excellence. As such, we will focus on achieving the following outcomes:

1. Our **focus on DEI** (diversity, equity and inclusion) has unlocked capabilities that enable employees to feel valued, engaged and empowered. This will be achieved through:
  - a. Developing and launching a DEI strategy
  - b. Identifying and creating a plan to roll out our DEI strategy and supporting initiatives
  - c. Offering DEI training support for leaders and employees
  - d. Identifying and rolling out outcomes and supporting activities for the Community of Practice and Values, People, Culture (VPC) teams
2. We have a **well-defined, values-based culture** that is understood and demonstrated by all employees; it influences how we do business and enables the success of our workforce. Employees understand the purpose of APS and how their role supports the delivery of that purpose. This will be achieved through:
  - a. Defining the current culture
  - b. Rolling out accountability training
  - c. Evaluation of the Agile APS program
  - d. Defining APS’ purpose
  - e. Identifying leadership and core competencies
  - f. Implementing a talent acquisition strategy
  - g. Facilitating goal cascading and goal setting across APS
3. We continue to build a **high-performing workforce** by investing in our staff through clear career pathing, development and succession planning processes. We will achieve this through:
  - a. Competency and skills mapping
  - b. Succession role profiles for critical positions
  - c. Implementing development plans
  - d. A phased rollout of leadership development
  - e. Manager development and training tracks
  - f. Expanding our employee career development program

# Corporate Scorecard

The four quadrants of the balanced scorecard provide a framework for strategic alignment and effective measurement, as well as a structure in which performance can be evaluated holistically. APS reports quarterly results against targets and aims to optimize resource allocation to improve the key performance indicators below. APS is currently finalizing the 2023-2027 Strategic Plan. As a result, the metrics within the corporate scorecard are anticipated to evolve as we move forward.



## Metrics

Stakeholder Alignment & Satisfaction	
<b>Client Relations</b>	▶ The qualitative assessment of relationship and aggregated client scorecards.
<b>Member and Pensioner Satisfaction</b>	▶ The ongoing external survey of members and pensioners interacting with the Member Services Centre.
<b>Employer Engagement</b>	▶ Equal weighting of employer satisfaction survey, employer portal survey and employer compliance score.
<b>Shareholder Alignment</b>	▶ Qualitative assessment of shareholder alignment.
Operational Effectiveness	
<b>Key Pension Administration Services Index</b>	▶ Comprised of three key business areas: weighting of 40% Operations, 20% Employer Services and 40% Member Services.
<b>Pension Services Agreement (PSA) Compliance</b>	▶ Importance and quantity of compliant vs. non-compliant items with the PSAs.
<b>System Availability</b>	▶ Equal weighting of availability vs. unplanned downtime of Compass, portals and client websites.
<b>System Reliability</b>	▶ The number and average duration of unscheduled outages of Compass, portals and client websites.
Financial Performance & Risk Management	
<b>CEM Cost Per Member</b>	▶ CEM Benchmarking Inc., an external survey organization that aggregates various operational costs in order to calculate the cost per member.
<b>Adherence to Client Fee Budgets</b>	▶ Adherence to client fee budgets as agreed to in the annual service delivery plans.
<b>Payout Calculation Accuracy</b>	▶ The accuracy of calculation payouts for members and post-retirement death for pensioners based upon a random ongoing sampling methodology.
People & Culture	
<b>Employee Engagement</b>	▶ APS employee responses to an external engagement survey.
<b>Absenteeism Rate</b>	▶ The total number of absenteeism hours divided by the total number of FTE (full-time equivalents), converted to days.
<b>Voluntary Turnover Rate</b>	▶ Number of voluntary employee terminations divided by the total number of employees.
<b>Internal Promotion Rate</b>	▶ The percentage of recruitments for new or existing roles at APS that are filled by existing APS employees.

## Risk Management

APS' commitment to identifying, assessing and managing corporate risks has not waived since we established our corporate enterprise risk management program. Risk management has always been the pillar of accountability in ensuring the services we deliver are accurate, timely and efficiently delivered; it is an integral component of our quality and efficiency measurements. APS' risk management framework has and will continue to serve as a guide in our commitment to identify, assess and manage our corporate risks.

The 2023 business plan outlines key initiatives and activities to manage significant challenges by proactively adapting to our ever-changing environment and ensuring the organization can carry out its mandate to deliver quality pension services in a cost-effective manner. Given our budgetary constraints, it is paramount that APS uses a risk-based strategy to ensure resource allocations are prioritized to provide pension benefit administration services for all our stakeholders. We believe in a philosophy where the benefits of our initiatives are weighed against risks to ensure our decisions are assessed and measured in order to operate within our corporate risk appetite. We are committed to evolving our risk management program and in 2023 we will be implementing a prioritized risk management roadmap.





## Looking Ahead

In 2023, we will publish our 2023-2027 Strategic Plan which will outline our renewed strategic objectives for the next five years. Our mission and vision will not change; we are still focused on providing quality pension benefits administration services. We will continue to build on the foundation of the reliability of our core services, innovation around how we deliver our services, and the development of our people and culture. This helps us adapt to any environment and realize our organization's and our clients' goals in the years to come.

We have worked closely with our clients since 2021 on the strategic roadmap initiative to create alignment between our organizations, and we are reflecting that shared outlook in our upcoming five-year strategic plan. Together, we will chart a path that enhances our services, supports our people and delivers a better pension experience for members. We will continue to demonstrate our commitment to collaboration, transparency and building trust with clients so that we can face any future challenges together.

# Appendix A

## 2023 Budget Overview

The 2023 APS budget will provide cost-effective and efficient pension benefits administration to the members, pensioners and employers we serve and the clients we support. In 2023, APS will focus on the provision of reliable core pension benefits administration services, the implementation of several projects to improve and innovate our services and building a culture of service excellence with an engaged workforce.

APS continues to be challenged to find ways to reduce costs in a complex operating environment while still aligning to client goals and managing risks. The 2023 budget effectively manages resources and continues to provide quality and reliable pension benefits administration services within the Government of Alberta's directed budget. Client goals are also balanced and prioritized in the 2023 business plan initiatives, with resources designated to support activities to achieve maximum benefit for our stakeholders. APS' proposed 2023 operating budget of \$60.2M represents an overall increase of \$3.3M (or 5.8% increase) from the 2022 APS budget.

This increase in the 2023 operating budget reflects negotiated salary increases for in-scope staff, removal of the salary freeze for out-of-scope staff, and inflationary increases on employee benefits, software licenses and other services. It also reflects additional resourcing to meet operational demands and an environment of increasing complexity.

The 2023 cost per member (based on CEM Benchmarking Inc. methodology) is anticipated to be \$177, which is approximately \$93 (34%) less than the estimated cost per member of the peer average of comparable Canadian public sector organizations.

Capital investment increased slightly to \$3.4M as compared to \$3.0M in 2022. In 2023, capital investment includes necessary upgrades to our pension benefits administration systems and process automation to achieve operational and cost efficiencies. In addition, APS will need to prioritize continued capital investments to maintain and support existing services and infrastructure along with new innovations and projects.

## Budget and Financials

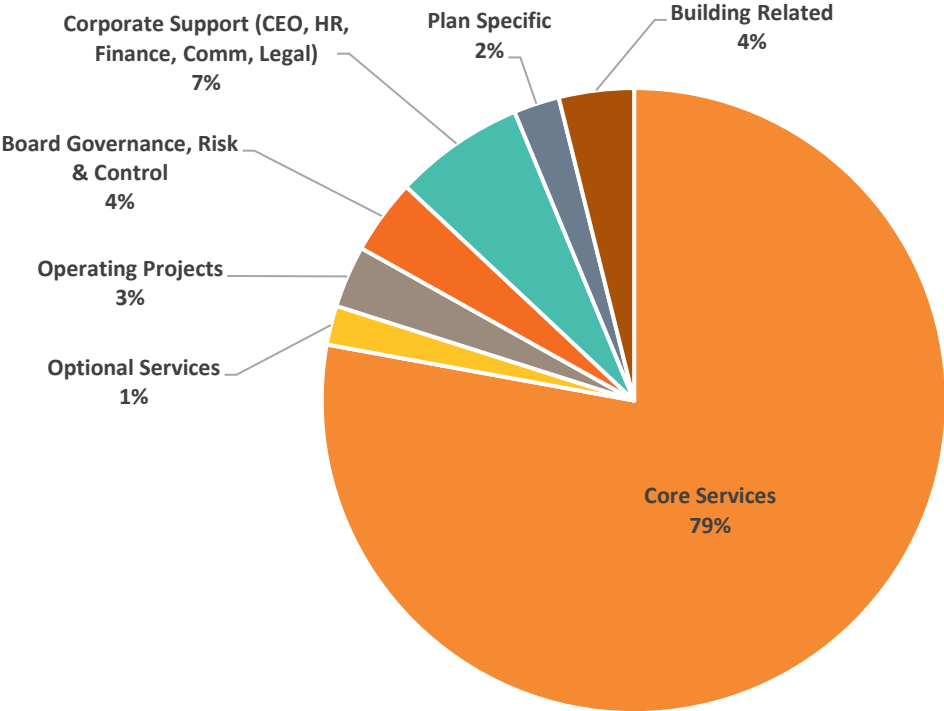
(\$ MILLIONS)	2021 ACTUAL	2022 BUDGET*	2023 BUDGET
<b>APS OPERATING EXPENSES</b>			
Salaries and Benefits	33.3	35.3	38.3
Contract Services	3.2	2.3	2.7
Software Licensing and Support	4.8	5.2	5.0
Office Related Expenses	4.7	4.8	4.8
Amortization	5.7	5.7	6.0
<b>SUB-TOTAL</b>	<b>51.7</b>	<b>53.3</b>	<b>56.8</b>
Operating Projects	1.1	1.9	2.0
Crown Trusteed Plans	1.3	1.7	1.4
<b>TOTAL APS OPERATING EXPENSES</b>	<b>54.1</b>	<b>56.9</b>	<b>60.2</b>
<b>TOTAL APS CAPITAL INVESTMENT</b>	<b>2.6</b>	<b>3.0</b>	<b>3.4</b>

	2021 ACTUAL	2022 BUDGET*	2023 BUDGET
CEM Cost Per Member	\$161	\$170	\$177
# of Active Members and Pensioners (excludes deferred members)	333,252	333,252	338,764

\*2022 budget subsequently revised to reflect budget targets provided by the Government of Alberta.

# 2023 Operating Budget is \$60.2M

The 2023 APS budget reflects a strong focus on providing cost-effective and efficient pension benefits administration to the members, pensioners and employers that we serve and to the clients that we support.



The above diagram illustrates approximate percentages for APS’ budget categories. More details regarding the Core Services are provided in the section below.

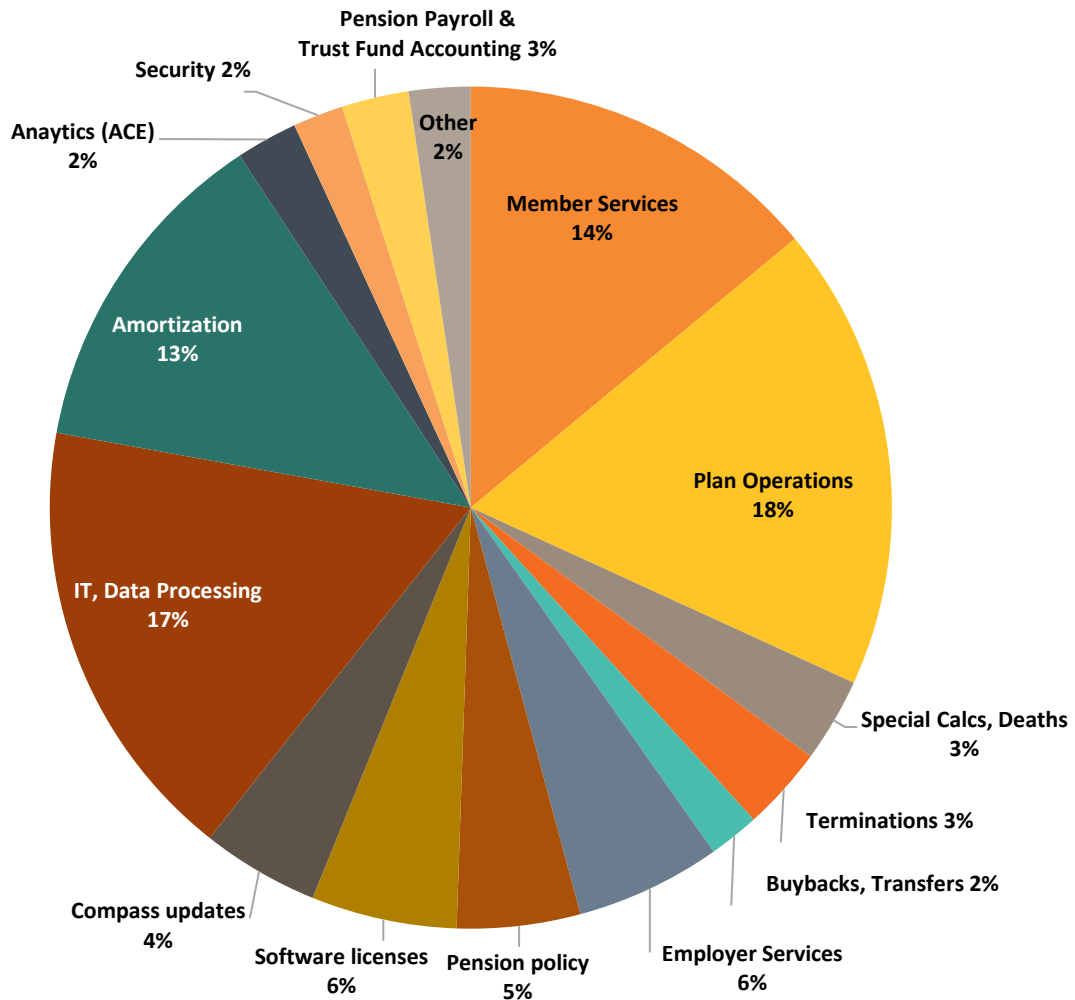
# Core Services

## 2023 CORE SERVICES COST BREAKDOWN

We strive to deliver a high standard of pension benefits administration services to all of our clients, members, pensioners, and employers.

These services and associated costs include:

- ▶ Client services
- ▶ Member Services Centre
- ▶ Pension payments
- ▶ Contributions management, benefits calculations and disbursements
- ▶ Member and pensioner management and communications
- ▶ Employer enrollment, support, education and compliance
- ▶ Compliance, regulatory and plan financial reporting
- ▶ Software licensing and support: maintenance and updates to member service software (Compass), data storage, software licenses and cybersecurity
- ▶ Amortization: long-life capital investments (primarily Compass) are expensed over the expected asset life



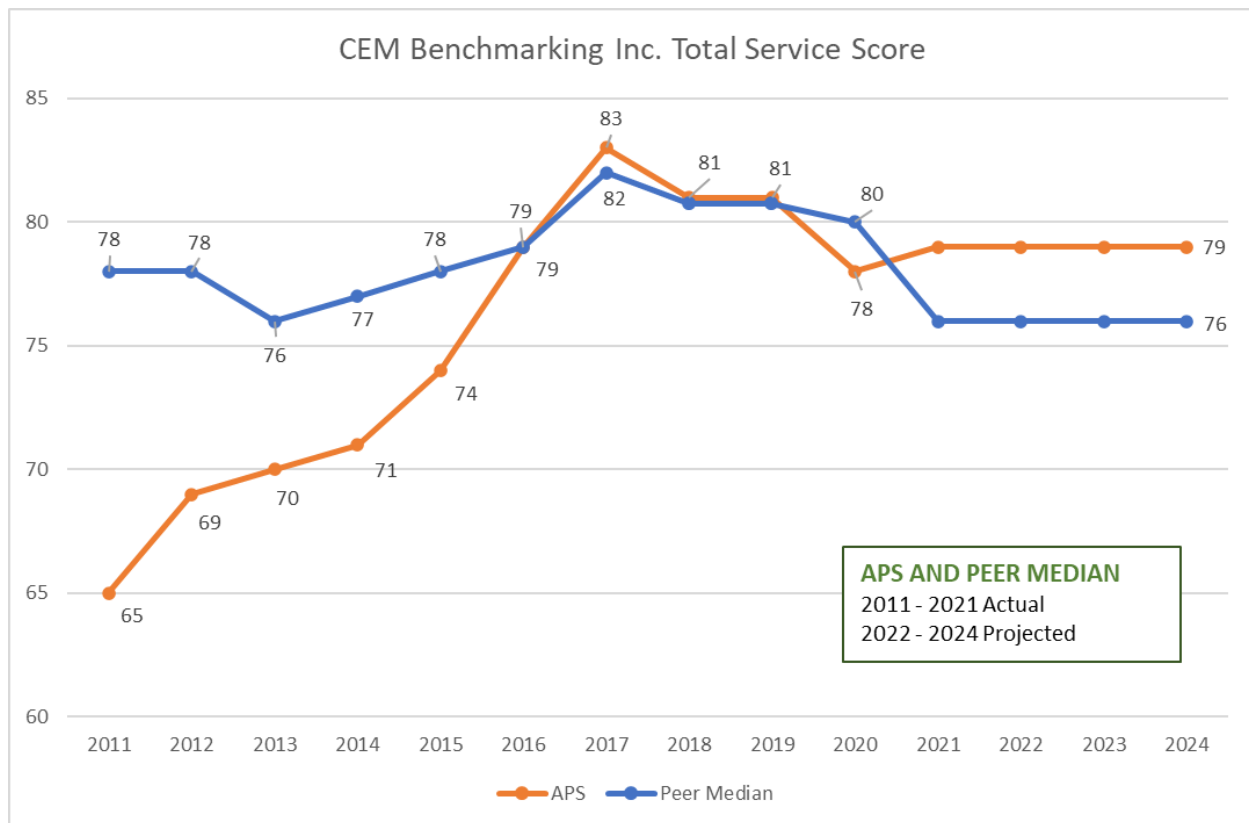
# Appendix B

## CEM Comparison: Performance, Service and Cost Per Member

APS' operating costs, membership numbers and transactional information are submitted annually to Cost Effectiveness Measurement (CEM) Benchmarking Inc. for comparison to our peer group in a comprehensive survey. While our peer group includes Canadian public sector pension administrators of similar size to APS, some of the largest in Canada, APS operates in a more complex pension environment than most.

One of the CEM Benchmarking Inc. measures is overall performance and service in comparison to our national peers. As shown in the below chart, APS has made significant progress on service metrics over time and now operates at the peer median for pension benefits administration services.

### Total Service Score



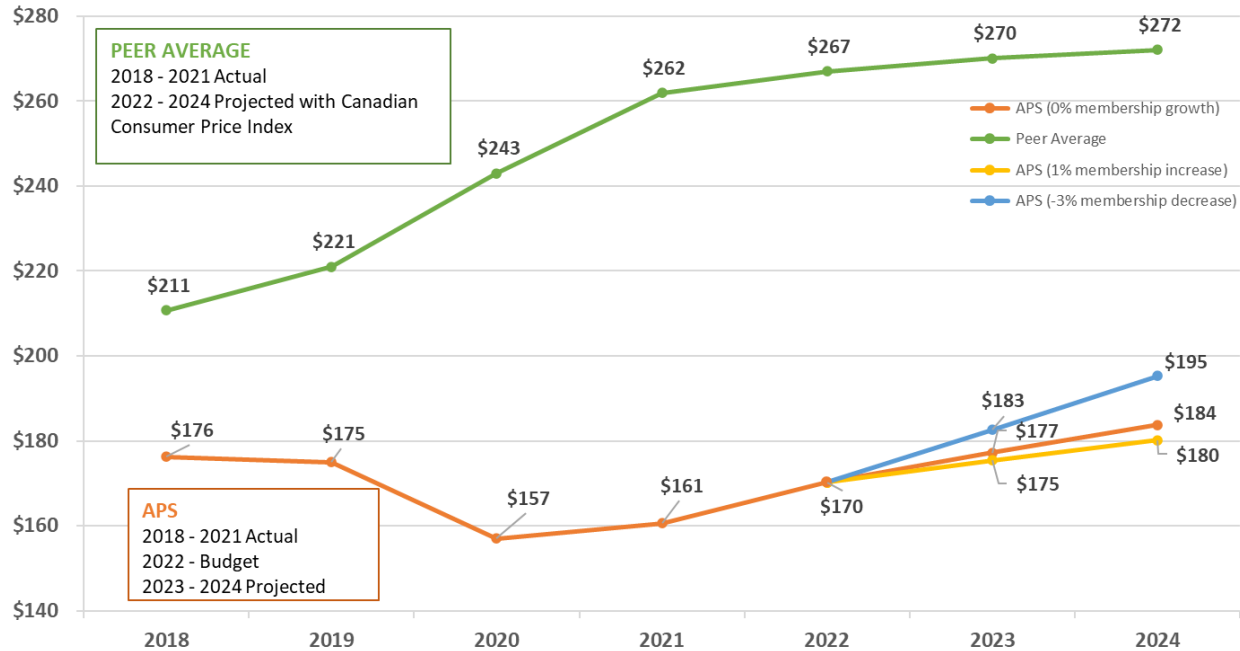
CEM total service score per member will continue to be a key indicator of how APS' service compares to peers. APS aspires to maintain the relative total service score ranking and will strive to make improvements over time

Taking into consideration the challenges of accomplishing the various strategic directions of our multiple clients and the government-mandated budgetary constraints, APS aspires to maintain the relative total service score ranking and will strive to make incremental improvements over time.

## CEM Comparison: Performance, Service and Cost Per Member (Continued)

### Cost Per Member

Based on the most recent (2021) CEM Benchmarking Inc. survey, APS service costs are \$101 (39%) per member lower than the peer average. APS cost per member will likely increase in 2022-2024 due to inflation and minimal membership growth but will remain well below the peer average. Should plan membership decrease slightly, APS should continue to maintain a cost advantage over our peers in the survey, as shown in the scenarios below.





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