

## ***Governance structure, policies and procedures of the World Pension Alliance***

### **Introductory Background**

On June 5, 2013, the American Benefits Council (ABC), the European Association of Paritarian Institutions of Social Protection (AEIP), the Multi-Employer Benefit Plans of Canada (MEBCO), the National Coordinating Committee for Multiemployer Plans in the USA (NCCMP) and PensionsEurope signed a Protocol of co-operation in Boston, Massachusetts (USA) called the Global Pension Alliance (GPA), then renamed World Pension Alliance (WPA).

On the 17<sup>th</sup> of September that same year, the Association of Superannuation Funds of Australia (ASFA) also joined and signed the protocol.

On May 15, 2014, the International Federation of Pension Fund Administrators (FIAP) from Latin America joined the Alliance as well.

In the aforementioned Protocol, which represents the nucleus of the World Pension Alliance, the signatory organizations recognized that while the legal and regulatory structures may differ, the group faced many of the same challenges and held the same positions with respect to those challenges. Therefore, those organizations agreed to cooperate through an open exchange of ideas and concerns and, when possible, to speak with a common voice on specific topics of interest in order to make their collective positions stronger and more influential.

Since its creation the group has produced some joint position statements which were subsequently sent by these respective organizations to a variety of national and international decision makers.

In 2015, the seven parties significantly increased the exchange of ideas among the group to discuss the possible ways to strengthen their cooperation. In particular, it was decided to provide the World Pension Alliance with a governance structure and more formal functioning procedures.

On June 15, 2016, the representatives of AEIP, PensionsEurope, NCCMP, ABC, MEBCO, FIAP and the National Conference On Public Employee Retirement Systems (NCPERS) from the USA met in Rome (Italy) for the First Plenary Meeting of the World Pension Alliance. During the Rome meeting, the participants discussed and agreed upon principles and on the main governance structure and procedures. It was finally decided that such principles would be structured and put in writing.

The following articles represent the follow up of the First Plenary Meeting of the World Pension Alliance and reflect the main conclusions reached during that meeting.

## **Title I: Terminology and Definitions Used In This Document**

### **Article 1**

The terms “World Pension Alliance”, “WPA”, “Alliance” and “Network” will be used as synonymous.

The terms “WPA members”, “members of the Alliance”; “participating organizations”, “member institutions”, or simply “Members” as defined in article 2, will also be used as synonymous.

The term “occupational pension providers” are those actors that manage pension plans based on an employment relation, where the employer (the sponsor) contributes into the plan of its employees. Occupational pensions are here intended as a synonymous of “workplace pensions”.

### **Article 2**

The participating organizations here indicated as the only “Members” of the World Pension Alliance are considered as those non-for profit entities made up of members based in several Countries (International Organizations, such as the ones having members in several Countries of Europe and/or Latin America), or in one specific Country (National Organizations, such as the ones whose members are within a single jurisdiction in the USA, Canada or Australia). The said organizations do not manage pension plans on their own, but act as advocates on behalf of their members, which may include other associations of mainly non for profit pension providers or (mainly) non for profit pension providers themselves. Therefore, the main aim of the participating organizations of the WPA is to represent their members’ interests.

- 1) By “pension provider” represented by the participating organizations of the World Pension Alliance it is here meant a provider other than the mere Public Social Security Institutions providing retirement benefits to the overall national population meeting the legal requisites for a public pension. Within the notion of pension providers are here included:
  - A) Those providers managing workplace/occupational pension plans of the private sector, both at corporate or multiemployer/sector-wide level. In the latter case, those plans are normally set up by collective labor agreements and their membership may be voluntary or compulsory, depending on the legal force granted to the agreement (i.e. possibility or not to extend the coverage of the agreement through an intervention of the public authorities). Finally, those pension providers entrusted with



the management of workplace plans are often jointly managed by the employers and employees representatives (*paritarian*) who are the signatory parties of the said collective agreements.

B) Providers that manage public sector employees' pension plans (including Government, local authorities, military, education officials, etc.). Such providers have the following features:

- Unlike the national Social Security Institutions, which generally cover the whole population meeting the legal requisites for a public pension, they just cover the specific category of the public employees;
- They manage plans that may be set up by the law or by collective agreements referred to the public sector;
- They may have a private or a public legal form, depending on the national jurisdictions;
- They may be jointly managed by the employers' and employees' representatives (*paritarian*);
- They may manage voluntary and/or compulsory pension plans, depending on the national jurisdictions.

C) Providers managing private individual pension plans;

D) Providers that manage pension plans financed by part of the mandatory public social security contributions, including the ones exclusively paid by the employees or by the residents in a given Country. Such providers, which differ from the nationwide Public Social Security Institutions, can be included in the scope of the actors represented by the WPA members on condition that they are not mere executors of social security pension plans, or completely deprived of any discretionary powers. In particular, such actors should:

- enjoy some autonomy in their management (i.e. capacity to establish their administrative or asset management fees);  
and/or
- be in competition among each other;  
and/or
- be subject to the supervision of authorities in charge of supervising all the other pension providers and/or insurance institutions.

2) A "not-for-profit" pension provider means any provider that does not generate profits or business in favor of its possible shareholders, but that makes an exclusive use of its surpluses for the benefit of its members (being the plan

sponsors, companies, workers or other individuals enrolled in the pension institution, pensioners and/or beneficiaries<sup>1</sup>).

## **Title II: Members, Structure and main Objectives**

### **Article 3**

The members of the World Pension Alliance will be only national and international organizations representing not-for-profit pension providers. Neither single providers, nor members of the current participating organizations (members of WPA members) will be permitted to join the Alliance directly.

### **Article 4**

New members of the Alliance will be admitted with the agreement of the current participating organizations. The decision of admitting a new member is taken by the Executive Committee following the provisions of Title III. Particular attention shall be paid to the opinion of those WPA members established in the same World region or Country where the new candidate organization is based.

The organization requesting to join the Alliance shall submit to the Chair its written application, which shall contain at least the following information:

- a) a letter of application, expliciting the interests in joining the Alliance;
- b) the statute/charter or governing document of the organization;
- c) the organization's mission statement (if any);
- d) estimated number of members represented;
- e) sector;
- f) estimated assets under management of its members.

The Chair shall promptly forward the application to the other members of the WPA Executive Committee. WPA members should be provided with at least two weeks to evaluate the application.

### **Article 5**

---

<sup>1</sup> i.e. by reinvesting such capitals; or by distributing them to the future pensioners; or by reducing the contributions of its members

In addition to the main WPA members defined in article 2, the participating organizations may choose to include in the Network other organizations that do not meet the criteria for being considered as Members.

Such organizations shall be classified as “Supporters”. The supporters shall not participate or play any role in the governance of the Alliance, and shall not be authorized to speak on behalf of the Alliance.

The features and the criteria for the admission of the supporters, as well as their tasks and role within Network, shall be unanimously agreed by the of the Alliance.

### **Article 6**

In some specific situations, members of the participating organizations (members of WPA members) may be temporarily invited to participate in an advisory capacity with respect to specific working groups or initiatives in order to provide their expertise and technical support on specific issues.

Like the Supporters, such members of the participating organizations may not participate in, or play any role in the governance of the Alliance and they shall not be authorized to speak on behalf of the Alliance. Unlike the Supporters, the participation of those organizations shall be temporary and limited to the duration of the activities of the specific working group or initiative for which they were invited to provide their technical support.

### **Article 7**

Each participating organization may withdraw from the Alliance at any time.

### **Article 8**

Considering its nature of Network, the World Pension Alliance is an informal association rather than taking on a formal legal structure; nor will it maintain a registered office.

Possible changes of the legal status may be discussed in the future by the WPA members, in line with the contextual development of the Alliance and its related needs.

### **Article 9**

The World Pension Alliance does not require any membership fees to be paid by member institutions. Rather, each organization shall provide the necessary means on its own in order to contribute to the activities of the Network and to disseminate information regarding the Alliance’s activities to their respective members

In addition, a particular “in-kind” and other support shall be provided by the organization which assumes the rotating Chairmanship of the Alliance.

Possible changes of this provision may be discussed in the future by the WPA members, in line with the contextual development of the Alliance and its related needs.

### **Article 10**

The main general objectives pursued by the members of the World Pension Alliance are the following:

- A) To provide a forum for the exchange of ideas and experiences in order to learn from each other and to identify best practices implemented by the respective organizations/geographical areas represented within the Network;
- B) To enable effective representation on issues of common interest in order to globally defend and promote the voice of the not-for-profit pensions' community (advocacy). Such activity shall be achieved through the establishment and/or maintenance of contacts with the national and international decision makers and policy forums and through the distribution through appropriate media, including the web, of the main WPA common positions;
- C) To forward to all the WPA members, invitations of the respective public events organized by the participating organizations, such as conferences and seminars which are endorsed by the Alliance;
- D) To further promote the expansion of the World Pension Alliance to other organizations representing not-for-profit pension providers in the same geographical areas where the Network is already represented, and in other areas of the World, in order to make the Alliance stronger and more influential;
- E) To assess the possibility to organize joint events such as conferences or seminars in order to better promote the Alliance and its positions;

The aforementioned list shall be considered as illustrative rather than exhaustive; the Alliance may decide to add new objectives not included in this list at any time.

The primary long-term objective of the Alliance is to be recognized at the international level as the common voice of the not-for-profit pension industry.

### **Title III: Governance, Procedures and Daily Management**

#### **Article 11**

Each member organization of the Alliance shall be equal in their powers, and shall have one vote.

#### **Article 12**

The decisions of the Alliance shall be made as a consensus-based process. Therefore, a formal voting procedure shall not be normally held, unless explicitly demanded by one or more Members. An abstention of a Member shall be considered as a tacit approval.

In particular, as far as the joint positions of the Alliance are concerned, all the WPA members shall be invited to send their remarks and feedbacks during the drafting process. The final text shall be discussed by all the WPA members according to the consensus approach before being definitely adopted.

When a deadline is given to the WPA members to express their final approval, any abstention shall be again considered as a tacit approval. The duration of the deadline shall be reasonably long in order to assure every member of the Alliance the opportunity to express its opinion.

#### **Article 13**

In accordance with the consensus approach, which excludes any veto power, if one Member or a minority of them do not share a WPA initiative proposed by a significant majority of the other Members, all the participating organizations shall do their best to find a compromise and discuss possible alternative viewpoints (constructive approach).

However, if the opponent(s) make it clear that their contrary position affects their fundamental interests, or touches some of their essential concerns, and all the attempts to find a compromise among the Members fail, the opponent Member(s) will have the opportunity to express their dissociation from the final position supported by all the others.

The dissociation mechanism, which should anyway represent the last possible resource, shall be added as a separate document annexed to the final joint position, and it shall be formulated in a way that the dissenting position does not affect the overall credibility of the WPA joint position. In particular, the opponent(s) shall underline that their dissociation is due to the specific and peculiar context of their local environment.

#### **Article 14**

The Alliance shall establish an Executive Committee.

The Committee shall be made up of a senior representative of each member organization of the Alliance who is vested with the authority to speak and act on behalf of his/her organization.

As far as the policy issues are concerned, those representatives of the WPA organizations who are not members of the Executive Committee and contribute to the preparation of a draft joint position of the Alliance, are not expected to engage their respective organizations in the final approval of such position. In fact, unless the said representatives declare that they received a mandate to do so from their organizations, only the members of the Executive Committee shall have this power.

### **Article 15**

Every participating organization shall be offered the opportunity to chair the Executive Committee on a rotating basis.

The Chair of the Executive Committee shall be therefore the representative of his/her organization within the Committee, and assume such role for a fixed term of one year.

The rotating basis principle shall also apply to the different geographical regions represented in the Alliance,<sup>2</sup> so that the following Chair organization of the World Pension Alliance shall not be based in the same World region of its predecessor.

In addition to chairing the meetings of the Executive Committee and proposing the draft agenda to the other Members, the Chair shall also officially represent the Alliance at public events whenever the Alliance is invited, and towards the media.

### **Article 16**

The Alliance shall also designate a Vice-Chair organization in its Executive Committee, which will take over the position of Chair during the following year according to the aforementioned geographical criteria. Like the Chair, the Vice-Chair shall be a representative of his/her organization within the Committee.

The main task of the Vice-Chair shall be the one of assuring the continuity of the functioning of the Alliance. In particular, he/she shall assist the Chair by getting familiar with the procedures and preparing the main topics for discussion within the Alliance. When the Chair is not available to cover his/her tasks, the Vice-Chair shall be the natural substitute of the Chair, unless the Chair decides differently.

### **Article 17**

---

<sup>2</sup> USA and Canada are considered as different regions for this document. However, the rotating system shall avoid two North American Chairs following one another. Therefore, if a Canadian or US organization chairs the Alliance, the following Chair will be based in another World Region such as Latin America, Europe, Australia or Asia before the chairmanship comes back to a US or Canadian organization.



In addition to the Executive Committee, the Alliance shall also designate a Coordinator who shall take care of the daily activities of the Network, in particular by collecting, spreading and coordinating the positions of the Members.

Considering that the Coordinator shall work for the Alliance as a whole, by constantly interacting with all the participating organizations, he/she shall be neither necessarily a member of the Executive Committee, nor a representative of the WPA member organizations. That being stated, the position of the Coordinator is not incompatible, as such, with the position of member of the Executive Committee or of the Chair, insofar as the Coordinator guarantees the fulfillment of his/her daily tasks.

The mandate of the Coordinator shall coincide with the one of the chairmanship. Once the Chair changes, the Coordinator shall hand over his position to the Vice-Coordinator as provided by article 19. The new Coordinator shall be then appointed by the Executive Committee.

Considering that the Alliance shall not have its own budget, the Coordinator shall not be remunerated by the Alliance. The Member holding the Chair or any other Member that presented the candidature of the Coordinator may freely arrange a direct arrangement with the Coordinator with regards to both the reimbursement of his/her expenses (if any), and his/her remuneration.

### **Article 18**

Any Member that identifies a topic that, in its opinion, should deserve consideration for the Alliance, shall point out such a topic to the Coordinator.

The same Member is responsible for preparing the brief, which shall:

- Identify the issue and its scope, by drafting the problem statement;
- Provide and share all the supporting documentation that can be useful for the Members;
- Propose the possible action that could be taken by the Alliance, and ask to the Chair to insert the topic in the next agenda meeting of the Network;

All those actions shall be prepared with the support of the Coordinator.

Once the topic is ready to be discussed by the WPA members, then the Alliance shall decide whether or not to launch a common action; in the event a common action is approved, the Members shall assess how to proceed with the next steps in order to prepare the said action.

The Coordinator shall assure that the initiative will be properly accomplished, by following its evolution, supporting the Members in the drafting of the required documents, and collecting the remarks and feedback from the other Members in order to reach a final common position.

The Coordinator shall regularly report the main ongoing activities of the Alliance to the Chair in order to enable him/her to properly draft the agenda of the meetings and prepare the discussions among the WPA members.

#### **Article 19**

Together with the Coordinator, the Alliance shall also appoint a Vice-Coordinator. The Vice-Coordinator will take over the position of the Coordinator after the end of his/her mandate.

The main task of the Vice-Coordinator shall be the one of assuring the continuity of the work carried out by the Coordinator. In particular, he/she shall assist and cooperate with the Coordinator in order to become familiar with the current topics under discussions, the progress of the joint WPA positions, and with the different opinions of the WPA members.

Considering that the Vice-Coordinator will take the position of the Coordinator, the same rules provided for the Coordinator regarding his/her links with the WPA members, the Executive Committee and about remuneration shall apply to the Vice-Coordinator.

### **Title IV: Contacts among the Members, meetings and events**

#### **Article 20**

The members of the Alliance shall work together and maintain regular contact through both formal and informal means. Such contact shall be normally kept through emails, teleconferences and other electronic means, including the discussions, drafting and approval of the WPA joint positions.

#### **Article 21**

At least four annual plenary meetings shall be scheduled at the beginning of every year in order to make sure that all the WPA members are able to participate.

- Three meetings shall be organized through teleconference tools (virtual plenary meeting).
- At least one such meeting shall be arranged in person with all the representatives of the Network (physical plenary meeting). Considering that three members of the Alliance (AEIP, NCCMP and MEBCO) are tied by another cooperation agreement and already organize a joint conference every other year in Europe and in North America<sup>3</sup>, the members of the World Pension Alliance shall arrange their annual physical meeting at the same

---

<sup>3</sup> AEIP, NCCMP and MEBCO have been organizing the so called « Transatlantic Conference » since 2009.

time and in the same location as the aforementioned conference, in order to make the general meeting more cost-efficient. That being stated, the two events shall remain independent.

The minutes of the plenary meetings containing the main decisions made by the Members shall be taken by the Coordinator.

#### **Article 22**

The Alliance shall endorse and support seminars, conferences and roundtables scheduled and organized by its Members.

Commercial events are beyond the scope of endorsement by the Alliance.

#### **Article 23**

WPA members shall endeavor to organize a joint public educational event such as a seminar or a conference in conjunction with the meeting conducted in person.

### **Title V: Final provisions**

#### **Article 24**

Any possible disagreement or conflict raised within this Network shall be settled by the WPA members themselves.

In particular, the members of the Alliance agree to categorically exclude any claim to the Courts in case of the said disagreements or conflicts.

The Members also agree that no specific legislation or jurisdiction will be applicable to disputes arising within the Network, or to the interpretation of this document.

#### **Article 25**

Any provision set out in this document may be amended or changed at any time by way of the written, under a consensual agreement of the participating parties.

*Done in Brussels, Belgium, the 24<sup>th</sup> of January, 2017*