
FSRA Response to Comments Received for Consultation on Proposed Supervisory Approach for Actively Monitored Single-Employer DB Plans

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[2020-001] Michelle Rival and Rohan Kumar - Willis Towers Watson

FSRA Response:

We appreciate the feedback regarding the confidential status of actively monitored plans and the use of the terms “plan sponsor” and “plan administrator. Where appropriate, FSRA proposes to clarify the guidance to address these considerations.

FSRA also appreciates the comment regarding the scope of responsibilities of the Administrator with respect to plan funding. As set out in section 4.1 of the Approach, we will supervise actively monitored plans with a focus on fiduciary obligation including where the officers or directors have a dual role as the administrator and plan sponsor. Section 5.3.5 of the Approach sets out example of items that will inform our supervision, and we expect administrators to consider best practices and the scope of fiduciary duties.

[2020-001] Brian Jenkins - ActuBen Consulting Inc. (submission dated February 25, 2020)

FSRA Response:





We appreciate concerns around the sufficiency of plan assets and ensuring relevant stakeholders are involved in FSRA's regulatory engagement and consultations – as well as the comments regarding the need for reduction of complexity in pension regulation and the unique challenges facing smaller plans.

While we welcome commentary regarding the *Income Tax Act* in order to better understand the challenges that Ontario pension plans face, FSRA does not have jurisdiction with respect to the *Income Tax Act*.

Our principles in this Approach recognize assessing each situation based on facts, appreciating that no single approach will work in all situations.

We also understand the importance of involving the plan's professional advisors and agents when engaging with actively monitored plans. As set out in section 5.3.3 of the Approach, our engagement strategy will involve working with plan administrators and their professional advisors.

FSRA encourages broad involvement across the sector in its Technical Advisory Committees (TAC) and consultations, including from plan advisors and consultants, and encourages applications to participate in each TAC process through an open nomination process. We also welcome input through consultation with the sector following each committee's work.

[2020-001] Charles D. Crawford - C. Crawford Medicine Professional Corp.

[2020-001] Zar Rakovski

[2020-001] Brian Jenkins - ActuBen Consulting (submission dated January 14, 2020)

FSRA Response:

FSRA's Proposed Supervisory Approach for Single Employer Defined Benefit Pension Plans that are Actively Monitored only applies to single employer defined benefit plans where there may be a concern with respect to the security of the pension benefits promised.





This Approach will not apply to Individual Pension Plans and Designated Pension Plans. However, FSRA appreciates the input on the impact of our fees. FSRA will take this input into consideration when we review the fee and assessment structure.

We would also like to note the Ontario Government initiated a consultation on a proposal to exempt certain individual pension plans and designated plans from the Pension Benefits Act. While the consultation is now closed, you can read more about this consultation on the government's consultation page: <https://www.ontario.ca/page/consultation-individual-pension-plans-and-designated-plans>.

