

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the "Act"), in particular section 80.4;

AND IN THE MATTER OF the Torstar Pension Plan, Registration Number 0969873 (the "Plan"), and the Colleges of Applied Arts and Technology Pension Plan, Registration Number 0589895 (the "CAAT Pension Plan").

NOTICE OF INTENDED DECISION

TO:

Toronto Star Newspapers Limited
1 Yonge Street
Toronto ON M5E 1E6

Attention: Lorenzo DeMarchi
Assistant Secretary

Applicant and Employer

AND TO:

Torstar Corporation
1 Yonge Street
Toronto ON M5E 1E6

Attention: Lorenzo DeMarchi
Executive Vice-President and Chief Financial Officer

Applicant and Employer

AND TO:

Board of Trustees of the CAAT Pension Plan
250 Yonge Street, Suite 2900
P.O. Box 40
Toronto ON M5B 2L7

Attention: Evan Howard
Vice President, Pension Management

CAAT Pension Plan Administrator

TAKE NOTICE THAT pursuant to section 80.4 of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Head, Pension Plan Operations and Regulatory Effectiveness, intends to consent to the conversion and transfer of assets from the Plan to the CAAT Pension Plan, provided that the text of the Plan in effect immediately prior to the October 1, 2018 effective date of the transfer is filed under section 12 of the Act as a document that creates and supports the CAAT Pension Plan.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTION 89(6) OF THE ACT. A hearing before the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. A copy of that form is included with this Notice of Intended Decision. Additional copies can be obtained by visiting the Tribunal’s website at www.fstontario.ca.

TAKE NOTICE THAT if no written request for a hearing is delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, a consent will be issued as indicated in this Notice of Intended Decision, provided that the condition set out in this Notice of Intended Decision has been satisfied.

In order to request a hearing, a completed Request for Hearing Form (Form 1) must be delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served. The form must be mailed, delivered, faxed, or emailed to:

Address: Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto ON M2N 6L9

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings Before the Financial Services Tribunal* (“Rules”) made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

1. Toronto Star Newspapers Limited is a corporation that is a subsidiary of Torstar Corporation and both are employers under the Plan, which is a single employer pension plan and therefore qualifies to apply for a conversion and transfer of assets under section 80.4 of the Act. The CAAT Pension Plan is a jointly sponsored pension plan that is administered by the Board of Trustees of the CAAT Pension Plan.
2. On March 22, 2019, Toronto Star Newspapers Limited and Torstar Corporation filed an application (the "Application") under section 80.4 of the Act for the Superintendent of Financial Services' (the "Superintendent's") consent to a proposed conversion and transfer of assets from the Plan to the CAAT Pension Plan effective October 1, 2018. A certified copy of the Notice of Application for the Superintendent's consent sent to members, former members, retired members and other persons entitled to benefits under the Plan was filed with the Superintendent on April 26, 2019.
3. On June 8, 2019, the Financial Services Regulatory Authority of Ontario ("FSRA") became the regulator for registered pension plans in Ontario under the Act.
4. On August 9, 2019, and October 7, 2019, FSRA received additional information regarding the Application. These submissions included clarification of the information presented in the sample notice to the members, former members, retired members and other beneficiaries and a revised proposed amendment (Appendix H) to the CAAT Pension Plan to reflect the obligation assumed by the CAAT Pension Plan for each transferee as of the effective date of the transfer, and to include the text of the Plan in effect immediately prior to October 1, 2018, as a document that creates and supports the CAAT Pension Plan. On October 11, 2019, a copy of a Memorandum of Agreement with respect to the conversion and transfer of assets was submitted to complete the Application.
5. Section 80.4(13) of the Act provides that consent to the conversion and transfer of assets from a single employer pension plan to a jointly sponsored pension plan in accordance with the relevant application shall be given if all of the applicable listed criteria are satisfied. These criteria are set out in section 80.4(13) of the Act, which states:

80.4 (13) The Chief Executive Officer shall consent to the transfer of assets in accordance with the application if all of the following criteria, and such other criteria as may be prescribed, are satisfied:

- 1. Notice of the application for the Chief Executive Officer's consent has been given in accordance with this section to the members, former members, retired members and other persons entitled to benefits under the single employer pension plan and to any trade union that represents members of the plan.*

2. *The employer of the single employer pension plan and the sponsors of the jointly sponsored pension plan have entered into an agreement with respect to the proposed transfer of assets.*
3. *Notice of the proposed conversion of the pension plan and transfer of assets has been given in accordance with this section to the members, former members, retired members and other persons entitled to benefits under the plan, to any trade union that represents members of the plan and to the Chief Executive Officer.*
4. *Consent to the proposed conversion and transfer of assets has been given or is deemed to have been given, in accordance with this section, by the members, former members, retired members and other persons entitled to benefits under the plan.*
5. *As of the effective date of the transfer, the employer is a participating employer under the jointly sponsored pension plan.*
6. *As of the effective date of the transfer, the transferred members and other transferees cease to be entitled to benefits under the single employer pension plan and they are entitled to benefits under the jointly sponsored pension plan.*
7. *As of the effective date of the transfer, the commuted value of the pension benefits provided under the jointly sponsored pension plan for the transferred members is not less than the commuted value of their pension benefits under the single employer pension plan, as adjusted for any payments made from the single employer pension plan to a prescribed retirement savings arrangement or made directly to the transferred members in connection with the transfer of assets.*
8. *As of the effective date of the transfer, the pension benefits provided under the jointly sponsored pension plan for the other transferees are, at a minimum, the same as the pension benefits provided for them under the single employer pension plan.*
9. *As of the effective date of the transfer, every transferred member is entitled to credit in the jointly sponsored pension plan for the period of his or her membership in the single employer pension plan for the purpose of determining eligibility for membership in, or entitlement to benefits under, the jointly sponsored pension plan.*

6. The following statutory criteria of the Act have been satisfied:
 1. notice of the Application was provided in accordance with section 80.4(13)1;
 2. Torstar Corporation, the Sponsors' Committee of the CAAT Pension Plan and the Board of Trustees of the CAAT Pension Plan entered into a Memorandum of Agreement with respect to the proposed conversion and transfer of assets on June 21, 2018, and Torstar Corporation, Toronto Star Newspapers Limited, the Sponsors' Committee of the CAAT Pension Plan and the Board of Trustees of the CAAT Pension Plan entered into a Merger Agreement as of October 1, 2018, thereby satisfying the criterion in section 80.4(13)2;
 3. notices providing information of the proposed conversion and transfer of assets have been given in accordance with section 80.4(13)3;
 4. consent to the proposed conversion and transfer of assets has been given in accordance with section 80.4(13)4; and
 5. as of the effective date of the conversion and transfer of assets, Toronto Star Newspapers Limited and Torstar Corporation are participating employers in the CAAT Pension Plan in accordance with section 80.4(13)5.
7. An amendment to the Plan was filed on October 1, 2018, under section 12 of the Act amending the Plan to permit the conversion and transfer of assets. An amendment (Appendix H) to the CAAT Pension Plan was filed on October 11, 2019. In accordance with the terms of this amendment to the CAAT Pension Plan, and in order for the criteria under paragraphs 6, 7, 8 and 9 of section 80.4(13) to be satisfied, the administrator of the CAAT Pension Plan must file, under section 12 of the Act, the text of the Plan in effect immediately prior to the October 1, 2018 transfer effective date as a document that creates and supports the CAAT Pension Plan.
8. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, *October 25*, 2019.



Lester J. Wong
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer