

FSRAFinancial Services Regulatory
Authority of Ontario

Ontario

ARSFAutorité ontarienne de réglementation
des services financierswww.fsrao.ca25 Sheppard Avenue West
Suite 100
Toronto ON
M2N 6S6Telephone: 416 250 7250
Toll free: 1 800 668 012825, avenue Sheppard Ouest
Bureau 100
Toronto (Ontario)
M2N 6S6Téléphone : 416 250 7250
Sans frais : 1 800 668 0128**VIA E-MAIL**

July 21, 2023

Attn: Leanne McSherry lmcsherry@bwxt.com
Director, Human Resources
BWXT Canada Ltd.
581 Coronation Blvd.
Cambridge ON N1R3E9

and Jean-Philippe Gilbert jean-philippe.gilbert@wtwco.com
Director, Retirement
WTW
1800 Avenue McGill College, 22nd floor
Montreal QC H3A 3T6

**Re: BWXT Canada Ltd. Salaried Non-Union Employees' Retirement Plan
Registration Number 0205690**

Enclosed, please find the Notice of Intended Decision (NOID) with respect to the above noted registered Pension Plan.

Yours truly,

Mitzi D'Souza
Administrative Assistant, Pensions

Enclosure

c: Renee Fong, Financial Services Regulatory Authority of Ontario

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, (the “Act”), in particular subsection 62.1(5);

AND IN THE MATTER OF BWXT Canada Ltd. Salaried Non-Union Employees' Retirement Plan, Registration Number 0205690 (the Plan).

NOTICE OF INTENDED DECISION

TO: BWXT Canada Ltd.
581 Coronation Blvd
Cambridge, ON N1R 3E9

Attention: Leanne McSherry
Director, Human Resources

Employer and Administrator

AND TO: Willis Towers Watson

Attention: Jean-Philippe Gilbert
Director, Retirement

TAKE NOTICE THAT pursuant to subsection 62.1(5) 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 Director, Pension Plan Operations (the “Director”), intends to consent to the payment out of the pension fund in respect of BWXT Canada Ltd., in the amount of \$1,383,290.00 as at January 31, 2023, plus investment earnings thereon to the date of payment. Details of this intended decision are described below.

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 SUBSECTION 89(6) OF THE ACT. A hearing by 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. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed, or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West, Suite 100
Toronto, ON M2N 6S6
Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.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. 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. BWXT Canada Ltd. is the employer and administrator as defined in the Plan (the Employer).
2. The Plan was wound up effective May 1, 2021.
3. The wind up report filed on October 2021 indicated a deficit of \$5,489,382 as at May 1, 2021. The supplemental wind up report filed in December 2022, indicated a deficit of \$9,007,857 as at October 25, 2022.
4. The employer has funded the deficit in accordance with section 75 of the Act. The wind-up deficit as at October 26, 2022 is \$0.
5. The Employer entered into a buy-in annuity contract with Brookfield Annuity Company in November 2021 for any members who elected an immediate or deferred pension. A premium of \$58,315,653 was paid on December 9, 2021.
6. Since May 1, 2021, the Employer made contributions totaling \$11,898,811 consisting of contributions totaling \$2,890,954 prior to October 26, 2022, plus a lump sum payment of \$9,007,857 on October 26, 2022, in order to fully fund the wind-up deficit.
7. On November 1, 2022, the buy-in annuity contract was converted into a buy-out annuity contract with Brookfield Annuity Company.

8. Following the premium adjustment period that ended on October 31, 2022, an amount of assets equal to \$1,649,268 was returned to the Plan on December 20, 2022.
9. The Reconciliation of Assets information provided by the Plan's actuary on March 7, 2023, as part of the Employer's application under section 62.1 of the Act, showed that there were assets in the amount of \$1,383,290 as at January 31, 2023 remaining in the Plan's pension fund, after all benefits and expenses related to the wind up had been settled.
10. In these circumstances, subsection 32(4) of Regulation 909 states that the money remaining in the fund may be paid to the Employer in accordance with subsection 62.1 of the Act, as if the money was an overpayment into the pension fund by the Employer within the meaning of clause 62.1(1)(b) of the Act.
11. The Employer has applied for payment of \$1,383,290.
12. Subsection 62.1(4) of the Act states that if an employer makes an overpayment into the pension fund, the application for reimbursement for the payment must be filed before the later of: (a) 24 months after the date on which the employer made the overpayment; and (b) six months after the date on which the employer, acting reasonably, becomes aware of the overpayment.
13. The Employer's application for reimbursement of the overpayment was made on March 7, 2023. This date is within six months after the date on which the employer, acting reasonably, became aware of the overpayment. Accordingly, the application has been filed within the time limits set out in subsection 62.1(4) of the Act.
14. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, July 21, 2023.



Claire Woodcock
Director, Pension Plan Operations

By delegated authority from the Chief Executive Officer