

December 20, 2018

Financial Services Regulatory Authority of Ontario
130 Adelaide St. W, Suite 800
Toronto, ON M5H3P5

Sent via online submission portal

Re: FSRA Assessments and Fees Consultation

Dear Sirs/Mesdames:

The CAAT Pension Plan thanks the Financial Services Regulatory Authority (FSRA) for holding consultations on a new assessment and fee rule along with its commitment to dialogue and consultation with its stakeholders. The CAAT Pension Plan welcomes the opportunity to comment, in its role as a defined benefit pension plan administrator.

About the CAAT Pension Plan

The CAAT Pension Plan is a jointly sponsored, multiemployer pension plan with over 40 participating employers, serving close to 50,000 members. The Plan's employers include Ontario's publicly funded colleges, and organizations from the nonprofit, private and broader public sectors. As of January 1, 2018, the Plan has \$10.8 billion in assets under management to deliver its commitment of lifetime pensions to its members. In its actuarial valuation as at January 1, 2018, the CAAT Plan is 118% percent funded on a going-concern basis with a funding reserve of \$2.3 billion. The CAAT Plan's well-diversified investment portfolio has earned a five year average annual rate of return of 11.4 percent, net of investment management fees.

Comment on assessment and fee rule

As an organization that is committed to paying its pension promise to its members, the CAAT Pension Plan believes that a thoughtful approach should be applied to regulating Ontario's pension plans. This approach should be mindful of maintaining the sustainability of the pension sector while responding to the dynamic pace of change in the pension marketplace. It is with this in mind, that the CAAT Plan supports the proposed revisions to the assessment and fee rule as laid out in the current consultation. We support such a proposal so that it will build a sustainably funded regulator while enabling FSRA's transformative goals of outcome based regulation. Furthermore, we are supportive of the proposed approach as it allows FSRA to achieve its goals of facilitating innovation within the pension industry in a way that recognizes the different pension structures that exist and balances the needs of sponsors and members.

In order to maintain a functional and appropriate assessment and fee structure, the CAAT Pension Plan offers the following recommendations to FSRA as it becomes operational:

- Continue to uphold the principles of fairness and transparency when reviewing and setting assessments and fees;
- Develop an approach that better utilizes data to inform appropriate fees for pension plans, so that any revisions take into account the compliance history and regulatory resources required to service the pension plan;
- Review the assessment and fee rule in a transparent and consultative manner while setting a predictable schedule for future reviews of the rule;
- Ensure that cross-subsidisation between regulated sectors is avoided.

Once again, we would like to reiterate our appreciation of FSRA's commitment to consultation and dialogue. CAAT Plan staff would be more than happy to respond to any questions you may have in response to our submission.

Sincerely,



Evan Howard
General Counsel and Vice-President of
Pension Management
CAAT Pension Plan