

The Canadian Federation of Pensioners (CFP) is pleased to comment on the proposed assessment and fee structure of the Financial Services Regulatory Authority (FSRA) as you prepare to take over from the Financial Services Commission of Ontario (FSCO) in 2019. CFP advocates for the security of defined benefit pension plans. It has twenty member organizations, half registered in Ontario, and represents the interests of more than 250,000 individuals across Canada.

In general, CFP is in agreement with the proposed structure as appropriate to its enhanced mandate to regulate pension plans in Ontario, among other financial services.

Assessments based on budgeted rather than actual costs is a simplification that frees administrative resources to concentrate on regulatory matters.

The higher fixed rate for tiny pension plans (compared to FSCO's rate) acknowledges the increased base cost to regulate any plan on a full-cost basis.

For larger plans, the tiered rate structure based on numbers of beneficiaries matches the cost efficiencies to regulate them. Replacing FSCO's assessment cap with a small incremental amount for very large plans ensures that beneficiary-related costs (queries, etc.) are properly covered.

Having no assessment for discontinued plans ensures their assets are preserved for the benefit of plan beneficiaries.

CFP strongly supports the same assessment rate for all classes of beneficiaries (active, former, retired and other). This ensures that every plan member can expect to be treated the same.

The principle that assessments cover all regulatory costs ensures transparency and assignment of costs appropriately.

There is one regulatory situation for pensions that may need consideration of a special fee. CFP will continue to advocate in Ontario for a distressed plan workout scheme as is in place federally, as a more focussed way of assisting financially troubled pension plans (rather than the recent Ontario experience with widely applicable solvency relief

that is prone to free riders, and doesn't allow appropriate flexibility in individual circumstances). The intensive regulatory effort that would be required in such cases should be funded on a fee for service basis (rather than buried in global assessment rates).

CFP thanks FSRA for the opportunity to comment on its proposed assessment and fee structure. We wish you all the best as you take up the regulation of pension plans in Ontario. Those we represent depend on a stalwart regulator for assistance especially if their pension plan falls into financial difficulty. We know that we can count on your support as we have come to expect from FSCO. Being well funded and thus well resourced can ensure this.