



Thank you for the opportunity to provide input on FSRA's Guidance Framework for the Ontario pension sector.

With over 320,000 members, CARP is the voice of Canada's 6 million seniors. Ontario's seniors have worked hard all of their lives and deserve to have their savings, investments and pensions protected.

CARP applauds FSRA and the government of Ontario for taking proactive steps to support innovation and reduction of red tape in the pension sector. Enhancing regulatory tools available to FSRA, and strengthening legislative and regulatory protections for pensions, will enhance retirement security for Ontarians and save the Ontario government money.

CARP supports the reduction of regulatory burden only if the remaining regulations are enhanced to protect pensions. Specifically:

***Risk-based.*** *We are fulsome in our analysis, and we assess risks by their nature, size, complexity and potential impact on stakeholders. We carefully consider these risks and when we act, our actions are measured and pragmatic.*

**Comment:** CARP believes that the FRSA risk analysis must be weighted in favour of pension protection. FSRA has an obligation to include a consumer protection lens in its risk analysis and ensure the interests of pensioners are protected.

***Reasonable.*** *Our regulatory responses are reasonable, proportionate, and taken with a view to enabling the effective operation of our pension system.*

**Comment:** CARP supports the effective operation of the pension system. But any regulatory changes must not undermine pension security or consumer protection.

***Adaptable.*** *While guided by our regulatory objectives, we acknowledge that sometimes "one size does not fit all". We monitor and assess evolving practices, circumstances, and expectations within the sector.*



**Comment:** CARP cautions that increased flexibility should only be used to proactively increase pension protection, not dilute it. For example, more flexible structures to allow orphaned plans of insolvent companies to continue to operate would benefit pensioners and strengthen pension protection.

***Facilitative.** We aim to educate and enable, and to make use of regulatory tools and powers in order to facilitate appropriate outcomes.*

**Comment:** CARP recommends that FSRA look beyond a prudential supervision framework to identify specific legislative and regulatory changes that could enhance its ability to prevent pension defaults, such as:

- a) abolishing pension funding relief except in true hardship cases
- b) preventing the sale of a company until the pension is fully funded
- c) blocking executive bonuses or issuance of dividends when a pension falls below established solvency funding requirements.

***Effective and efficient.** In conjunction with the pension sector (including stakeholders and their respective advisors and service providers), we regularly assess the effectiveness and efficiency of our guidance documents, data collection, filing requirements, enforcement tools and service standards.*

**Comment:** CARP supports FSRA's commitment to regularly assess the effectiveness and efficiency of the above priorities. We urge FSRA to ensure that regular assessments are conducted through a lens under which the protection of defined benefit pensioners is considered.

***Collaborative and transparent.** We are committed to on-going dialogue and consultation with the pension sector. We will work collaboratively with other regulators to promote jurisdictional harmonization.*

**Comment:** CARP recommends that FSRA consider pensioners as a separate and distinct sector participant with whom to foster a strong collaborative relationship.

Thank you for the opportunity to provide feedback.

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