

February, 2020

On behalf of the Canadian Federation of Pensioners, thank you for the opportunity to submit our response to the **Proposed Supervisory Approach for Single Employer Defined Benefit Pension Plans that are Actively Monitored.**

The Canadian Federation of Pensioners (CFP) advocates on behalf of defined benefit pension plans and their members. Founded in 2005, the CFP is the united voice of 19 retiree groups, representing 250,000 defined benefit pensioners, who work together to improve pension security across Canada. CFP is affiliated with CARP and the National Pensioners Federation. Our organization has a long history of working collaboratively with provincial and federal government agencies responsible for pension regulation.

CFP is encouraged that FSRA appears to be moving in a direction that supports improved pension security for defined benefit pensioners. It is our hope that through the proposed supervisory approach, FSRA will act early and decisively to raise concerns and reduce the risk of pension failure.

Following review of the proposed approach document, we respectfully ask you to consider the following concerns:

1. This document does not explicitly identify a clear avenue or process in which stakeholders can raise concerns with FSRA. Section 4.4.6 should be strengthened to articulate a clear process, guarantee confidentiality and identify the office responsible for these complaints. This section should be more akin to a whistle-blower policy.
2. Section 5.2.2 states that FSRA will use its judgment in its assessment of risk. Recent insolvencies have revealed that the decision to trigger an investigation can come too late. CFP recommends that FSRA establish a set of minimum guidelines for commencing an investigation and that these criteria be shared with plan members, beneficiaries and others who may be in a position to recognize them and alert FSRA.
3. Section 5.2.4 states that the status of being actively monitored will be kept confidential but will be disclosed only to the plan administrator. While CFP acknowledges the need for confidentiality with respect to non-public, sensitive information, this proposed approach leaves pensioners in the dark. To balance pensioners' interests against those of the pension plan, there must be some level of disclosure early in the process.
4. Under Section 5.3.3, FSRA's engagement strategy will involve communication with pension plan stakeholders where and when deemed appropriate. Pensioners are often the last to know when their pension is at risk. The CFP recommends this section be amended to clearly

identify the criteria for initiating such communication and the channels to be used to communicate with pensioners (and their beneficiaries) who may be elderly, residing in long term care, and hard to reach.

5. CFP recommends FSRA consider the positive role that a registered pension advisory committee (PAC) or retired employee organization may have in protecting and safeguarding pension benefits and the rights of plan beneficiaries. FSRA should include such groups in its engagement strategy.

6. CFP requests that FSRA communicate the regulatory tools and powers it will use under section 4.5. Pensioners need to be informed about the tools available to FSRA, to promote confidence in FSRA's ability to safeguard pension security in Ontario.

Thank you for reviewing our feedback. We would be happy to meet with you to answer additional questions you may have.



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