

November 28, 2019

Thank you for the opportunity to provide input on the proposed principles to guide FSRA's approach to supervision of the pension plans.

As the united voice of 19 retiree groups, representing over 250,000 pensioners, the Canadian Federation of Pensioners advocates on behalf of defined benefit pension plans and their members.

Our general comments on the proposed principles to guide FSRA's approach to the supervision of pension plans are as follows:

1. We note with concern that pensioners are not included as a specific stakeholder group in the FSRA Guidance Framework. Pensioners must be considered a distinct stakeholder group, separate from employees or members of a collective bargaining unit. Once workers become pensioners, they lose the protection of a collective bargaining group.
2. We respectfully recommend an overarching guiding principle -- **Pension Protection** -- be added to the proposed FSRA Guidance Framework.

FSRA's approach to supervision of pension plans must include a commitment to act to protect pension beneficiaries, both employees and pensioners, and protect the public interest through pension certainty. Unlike all other pension sector players, pension beneficiaries are individual people who rely on the regulator to ensure their pensions are safe and secure. When pensioners don't receive their full pension, it hurts everyone. Pensioners' reliance on social services increases and they contribute less to local economies, communities and the tax base.

In addition, we ask that the following guidelines be applied with a lens focused on pension protection. 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.*

CFP Response: Pension protection must always outweigh any other factors in any FRSA risk analysis. Fundamentally, the most negatively impacted stakeholder in any adverse situation will always be individual pension beneficiaries.

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

CFP Response: CFP supports the effective operation of the pension system provided that any regulatory responses do not undermine pension security. Rather, full pension protection should be a fundamental consideration in assessing what constitutes reasonable and proportionate.

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.

CFP response: We caution that increased adaptability should not be an excuse for diluting pension protection. Pension solvency relief should not be granted to corporations that continue to enrich other stakeholders by issuing dividends or paying executive bonuses.

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

CFP Response: We strongly urge strengthening this principle to enable FSRA to make use of strong regulatory tools and powers to protection pensions. Any appropriate outcome facilitated under this principle must include 100% protection of defined benefit pensions.

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.

CFP response: We support 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.

CFP Response: The pension sector includes pensioners. Pensioners must be considered a distinct stakeholder, separate from employees or members of a collective bargaining unit. Once workers become pensioners, they lose the protection of a collective bargaining group.

Pensioners must have a seat at the table to ensure our interests are considered and our voices are heard.

Thank you.

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