

December 15, 2011

The Honourable Dwight Duncan
Minister of Finance
7 Queen's Park Crescent, 7th floor
Toronto, Ontario
M7A 1Y7

Dear Minister:

Re: Pending Pension Regulations

The Association of Canadian Pension Management (ACPM) is the informed voice of Canadian pension plan sponsors, administrators and their allied service providers. Established in 1976, ACPM advocates for an effective and sustainable Canadian retirement income system. Our members are drawn from all aspects of this industry from one side of this country to the other. They represent over 400 pension plans consisting of more than 3 million plan members, with assets under management in excess of \$330 billion.

ACPM promotes its vision for the development of a world-leading retirement income system in Canada by championing the following Guiding Principles:

- Clarity in legislation, regulations and retirement income arrangements;
- Balanced consideration of other stakeholders' interests; and
- Excellence in governance and administration

I am writing to you on behalf of the ACPM National Policy Committee to encourage you to complete the reform process in Ontario by releasing as soon as possible, for review and comment, the regulations necessary to implement the provisions of Bill 236 and Bill 120 that are not yet in force.

As you know, Bill 236, *Pension Benefits Amendment Act, 2010*, received royal assent on May 18, 2010. Bill 120, *Securing Pension Benefits Now and for the Future Act, 2010*, received royal assent on December 8, 2010. These Bills made a number of significant reforms to the *Pension Benefits Act* (Ontario). However, the new statutory provisions depend on regulations which have not yet been prescribed. Accordingly, most of the changes enacted by these Bills are still not in force more than a year after the Bills received royal assent.

The delay in the release of the regulations needed to implement the reforms enacted by Bill 236 and Bill 120 does not serve the interests of employers, administrators or plan members, and could result in significant backlogs in the pension industry. Employers and administrators do not know whether to take action with respect to their pension plans based on the old regime or to wait until the new regime comes into effect. Further, since many details of the new legislative scheme have been left to the regulations, there is still a great deal of uncertainty as to the exact nature and scope of the reforms. The ongoing regulatory vacuum is particularly troublesome given the current difficult economic times, hindering effective decision making by plan administrators and sponsors.

As with all significant regulatory changes, it is critical that affected stakeholders have sufficient time to review and comment on the new statutory provisions before they are finalized. It is anticipated that the changes to the regulations needed to implement the reforms made by Bill 236 and Bill 120 will be extensive and highly technical. Stakeholders will need a reasonable amount of time to familiarize themselves with the proposed regulations and



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The Association of Canadian Pension Management

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to provide meaningful comments. The government will then need time to consider the comments from stakeholders and make any necessary changes to the proposed regulations. To get this process started, we encourage you to post the draft regulations for comment as soon as possible. If you would like the ACPM's to help in drafting and/or reviewing regulations earlier in the process, we would be happy to provide the government with whatever assistance we can offer.

Ontario has taken an important step forward in enacting the reforms embodied in Bill 236 and Bill 120, but it needs to move promptly to complete the reform process. We urge you to publish the necessary regulations for industry review and comment as soon as possible, in order to give affected stakeholders sufficient time to provide meaningful input on the changes.

Yours sincerely,

Bryan Hocking
Chief Executive Officer