



April 20, 2026

Broader Public Sector Pensions Branch
Minister of Finance
5th Floor, Frost Building South
7 Queen's Park Crescent East
Toronto, Ontario
M7A 1Y1

Dear Pensions Branch,

Re: Regulations to Modernize the Jointly Sponsored Pension Plan Conversion Framework

Thank you for the opportunity to provide comments on the [proposed regulations](#) that will enable the conversion of benefits in a defined contribution (DC) single employer pension plan (SEPP) to an Ontario jointly sponsored pension plan (JSPP) under sections 80.5 and 80.6 of the Pension Benefits Act (PBA) and the transfer of assets for individual members under section 101.4 of the PBA.

The Association of Canadian Pension Management (ACPM) is the leading advocacy organization for a balanced, effective, and sustainable retirement income system in Canada. Our private and public sector retirement plan sponsors and administrators manage retirement plans for millions of plan members, including both active plan members and retirees. Collectively, their priority is to ensure the best possible outcome that will provide their plan members with the pension and retirement security that they expect.

Executive Summary

ACPM welcomes these measures to help DC SEPP members achieve stable and predictable retirement income and to reduce their investment, longevity and other risks by converting DC accounts to defined benefit (DB) benefits, where their employer has joined a JSPP. Our experience is that active members want to bring their pension savings into a workplace plan that delivers a lifetime pension and may include valuable features, like indexation. As reputable and professional pension managers that provide services at comparatively low cost, JSPPs can apply their experience with asset transfers and member buybacks to generate sustainable retirement income that benefits members, employers, and the economy.

With implementation targeted for July 1, 2026, ACPM encourages Ontario to apply an innovative approach to regulation. The proposal follows the past practice of requiring member disclosures that are heavy on technical details. As an example, DC members moving funds to a JSPP must be informed that their benefits will not be guaranteed by the Pension Benefits Guarantee Fund (PBGF) and are excluded from grow-in benefits. Neither of these concepts have meaning or impact to a DC member at the time of their decision and do not present a material risk to them.

Greater uptake and better results may be achieved by permitting streamlined member notices that illustrate the positive impact on retirement income. Including technical and duplicative information adds cost and complexity that are disproportionate to the risk and reduces member engagement. Members can be directed to other resources to assist them in understanding how their SEPP and JSPP are governed,

funded and regulated. We hope this suggestion is given serious consideration and encourage the Ministry to consider our recommendations in this submission.

ACPM also encourages the government to continue to modernize and harmonize pension standards to foster innovation that supports expanded pension coverage and better retirement outcomes for Ontarians. This includes enabling the conversion and transfer of DC SEPPs to multi-employer and target benefit plans.

Recommendations and Technical Commentary

The consultation addresses the following two proposed regulations. For simplicity, where similar requirements are prescribed in both (primarily the notice content), we have structured our recommendations and comments to address them jointly, at the end of this submission.

1. Conversions and transfers of assets under section 80.5 of the PBA.

Context and Commentary

This regulation applies where an employer converts a DC-only SEPP to a JSPP through a transfer of assets in respect of all members. In addition, section 80.6 of the PBA accommodates the conversion of a SEPP that provides both DB and DC benefits, through application of the DB asset transfer rules in section 80.4, and the new DC asset transfer rules in section 80.5, as modified in those provisions for this situation.

Section 3 of the proposed regulation provides that the effective date of the asset transfer shall not be earlier than the last day that a member may provide direction to opt out of the conversion. In practice, this means the asset transfer date may be 90 days (or later) after the administrator delivers the required notice, as per section 6 of the proposed regulation. This allows the conversion amounts to be fixed at the same date for all benefits, which is a practical necessity, but has implications for the notice content and target populations, as noted below.

A conversion subject to section 80.5 applies to every member or person entitled to DC benefits, including deferred members, retired members and survivors. The DC assets are used to purchase credit in the JSPP for the member or eligible individual. This poses some design and administration challenges for populations who are not active members of the JSPP on a go-forward basis, which may make such conversions less attractive to DC SEPPs and JSPPs.

ACPM Recommendation

- Assuming that the Ministry is not open to accommodating partial conversions that would enable this population (non-actives) to be excluded altogether, an alternative default settlement method may be appropriate for this population and ACPM suggests that the Ministry consider this as a future adjustment to the PBA and/or the proposed regulation, as applicable.
- The rationale for this recommendation is as follows:
 - Former members, retired member or survivors in the DC SEPP are unlikely to be active members of the receiving JSPP. The creation of lifetime retirement benefits using DC funds is generally limited only to active members. The mechanism to establish JSPP benefits for these other populations through a “credit purchase”, as contemplated by the PBA, is unclear, particularly for survivors who have no eligible periods of service with the participating employer.
 - Currently, absent the provision of variable benefits by the DC SEPP, a retired member, former member, or a survivor, would generally not receive a pension payable from the DC

SEPP but must instead transfer their entitlement to a personal registered account, cash it out (where permitted), or purchase an annuity, in a manner consistent with the PBA. The SEPP conversion should not create the additional right to a JSPP pension for this population. DC SEPPs should instead be permitted to settle such benefits at conversion through the existing DC options provided in the PBA, including the establishment of a LIRA for unlocated members, where permitted (for example, where enabled through the member's consent at enrolment).

- For such individuals, the resulting DB benefit may not deliver a meaningful amount of lifetime retirement benefits, particularly where the SEPP DC account balance is modest. Where the JSPP benefit falls under the PBA small benefit unlocking rules, this may ultimately result in a cash-out of a present value to a former DC member or survivor (which may be less than their DC benefit), despite the complexity of the conversion process to the individual and their DC and JSPP administrators alike.
- Similarly, consistent with the design intention that a DC-JSPP conversion is targeted to active employees who are participating in the JSPP for current service, it would be reasonable for DC SEPP members with a date of termination of employment, retirement or death occurring within the period immediately prior to the conversion notice date (e.g., 90 days) to retain their existing DC SEPP options and election timelines, and not to be converted to the JSPP, by election or default.
 - As currently proposed, there is no exemption for DC SEPP members or survivors with such an in-flight event as of the asset transfer notice date. They will receive a notice and election regarding the future-dated plan conversion, in addition to any other elections or communications being provided by the DC SEPP administrator in relation to their individual event.

2. **Special Individual Transfers under section 101.4 of the PBA.**

Context and Commentary

This regulation applies where an employer makes a design decision to cease contributing to a DC SEPP (or the DC part of a DB/DC SEPP) and to join a JSPP for future service that enables members to transfer their DC accounts to purchase a past service "credit" in the JSPP. Effectively, this operates like a one-way individual transfer agreement between the plan administrators, requiring notice to the regulator and the affected members. It does not apply to former members, retired members or survivors, which helpfully allows plan sponsors and administrators to focus on the target population of active DC members and employees.

ACPM Recommendation

- Section 101.4(9)(5) provides that, upon transferring the member's DC SEPP benefits to the JSPP the member ceases to be entitled to benefits under the SEPP. We suggest the Ministry consider if this was the intention for members of a DC/DB SEPP and whether it should be clarified to reference only the DC part of the SEPP. For such members, their DB SEPP benefits for the period prior to their employer joining the SEPP are not necessarily impacted by the opportunity to use their DC account to obtain additional JSPP lifetime retirement benefits.
- Ensure that any service credit created by a Special Individual Transfer and the associated transfer amount are excluded from application of the 50% cost rule under section 39 of the PBA, consistent with the treatment of a reciprocal transfer as referenced in Section 62 of Regulation 909 General.
- Consider providing a *de minimis* threshold for the requirement to file an actuarial cost certificate, recognizing that the cost and effort to prepare such a certificate may be

disproportionate to the impact when a relatively small Special Individual Transfer is considered in relation to the JSPP as whole.

- Enable members transferring DC balances into a JSPP to elect between receiving a DB benefit under the plan or using the funds to contribute to an additional voluntary contribution (AVC), where offered by the receiving JSPP. Members with portability rights upon termination of DC membership or wind up have the option to move funds to an AVC, based on the receiving plan's provisions. Extending this choice to a Special Individual Transfer would create more consistency across all DC portability situations, allowing members the advantage of consolidating their retirement savings under one plan administrator and benefiting from a JSPP's AVC rate of return going forward.

Notice Requirements (for both proposed regulations)

Context and Commentary

The DC SEPP administrator must provide notice to the regulator, and provide a notice to each member or person entitled to DC benefits (as applicable) with required information pertaining to the SEPP and JSPP.

- In the situation of a plan conversion, such member or individual may elect to opt-out of the transfer of their benefits to the JSPP and instead transfer their DC benefits to an eligible account or purchase an annuity, consistent with the PBA minimum standards and plan terms, as applicable. If the individual does not provide such election within the prescribed period, their benefits will be converted to the JSPP by default. This includes any missing/unlocated DC SEPP members and beneficiaries.
- In the situation of an individual transfer, the member may have a time-limited opportunity, as provided by the transfer agreement, otherwise section 7 of the proposed regulation sets this deadline to be 90 days after delivery of the notice from the DC SEPP administrator. Section 6 of the proposed regulation also enables the transfer agreement to provide members with the opportunity to transfer their DC SEPP benefit beyond the initial time-limited period, with provision for the DC SEPP administrator to subsequently provide, upon request, certain current information as prescribed. This flexibility in the proposed regulation is welcome.

ACPM Recommendations (applicable to both proposed regulations)

We encourage the Ministry to remain focused on the overall policy objective, which is assisting members to achieve greater retirement income security through these conversions and transfers. In this spirit, we encourage the enablement of brief and focused communications that do not overwhelm members with complex fine print that is of limited value or impact to them. Our recommendations include the following:

- Eliminate the duplication in the two member notices or enable the DC SEPP and JSPP to send a combined notice with the essential information, including the defaults that apply if no election is made by the individual. Eliminate any elements of information that are already readily available to the individuals through other recent communications, statements, a portal or website.
- For the disclosure of the amount in the DC account, we recommend that the DC SEPP administrator be permitted to use some reasonably current date, such as the amount as of the prior month-end. The date is not specified in the proposed regulations and this could be managed through regulatory policy.
- Permit the DC SEPP administrator to focus their notice on the essential information pertaining to the conversion transaction, and refer all individuals with DC SEPP entitlements to their latest monthly statement, or other most recent DC SEPP communication (e.g., booklet, online portal) for their account balance, DC SEPP options at retirement, investment options (assuming these are not

expected to change between the date the notice is delivered and the conversion date), name of any spouse and/or beneficiary, date of enrolment and employment, and particulars of any survivor benefits in excess of minimum standards.

- For the JSPP notice, it should similarly be acceptable to direct members to a website or other resource for information on exemption from grow-in, the PBGF, the potential impact to benefits upon JSPP wind up, the JSPP governance structure and other such information pertaining to JSPP governance, funding or regulation. They will also receive much of this information in their annual statement.
- For the notice to the Chief Executive Officer (CEO), extend the timeline for provision of the date on which the member notices were given. This is a practical necessity, given that the notice to the CEO must be sent at the same time as the notices to members, and the date on which the member notices were sent can only be confirmed once this has occurred.

Please do not hesitate to contact us if we can provide further information or assist in any way.

Yours truly,



Korinne Collins
Chief Executive Officer
ACPM