

June 9, 2016

Neil Mohindra
A/Policy Manager
CAPSA Secretariat
5160 Yonge Street, Box 85
Toronto ON M2N 6L9

Via email - capsa-acor@fSCO.gov.on.ca

Dear Mr. Mohindra:

Re: CAPSA Consultation on the Revisions to the Pension Plan Governance Guideline

ACPM (The Association of Canadian Pension Management) is a national, non-profit organization acting as the informed voice of plan sponsors, administrators and their service providers in advocating for improvement to the Canadian retirement income system. Our membership represents over 400 companies and retirement income plans that cover more than 3 million plan members.

Thank you for the opportunity to provide comments on the drafts of the revised *CAPSA Guideline No. 4: Pension Plan Governance*, and the related *Self-Assessment Questionnaire* and *FAQ Document*.

Firstly, we wish to extend our congratulations to the Pension Plan Governance Committee and the Industry Working Group for their efforts with respect to CAPSA's original Guideline No 4: Pension Plan Governance and the related Self-Assessment Questionnaire and FAQ Document. It is evident from our review that a tremendous amount of effort went into the review of these important documents.

We have a few observations about the draft documents that may assist with the finalizing process.

1. The Principles laid out in Guideline No. 4 could be intimidating for smaller pension plans, appearing to require an onerous amount of work for the plan administrator. In many cases, the plan administrator also bears other responsibilities in the sponsoring organization. It is imperative that there is recognition of the need for flexibility in the adaptation of the Guidelines. Good governance will look different from plan to plan. Page 3 of the Consultation document states "Different types and sizes of plans, however, may require different governance practices." Clarity around this statement would go a long way to providing plan sponsors/plan administrators with some guidance as to their responsibilities in the governance process.

2. On page 10 and 11 of the Consultation Draft – Frequently Asked Questions, Section C: Multi-Employer Pension Plan – the questions seem to assume that MEPPs are defined benefit only. Would it be beneficial to address the investment of the assets of the plan also in terms of providing appropriate investment choices to members of a defined contribution MEPP?

We encourage CAPSA to continue to revisit these governance guidelines going forward. New developments in the retirement income system in Canada could require revisions in the future. In addition, CAPSA's Guideline No. 6 (Pension Plan Prudent Investment Practices Guidelines) and the accompanying Self-Assessment Questionnaire issued in November 2011 are probably due for a review. ACPM would be pleased to participate in the efforts related to this review.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bryan D. Hocking", is written over a large, light blue circular scribble or stamp.

Bryan D. Hocking
Chief Executive Officer