



July 13, 2017

Dear Pension Industry Stakeholder:

**Re: CAPSA Consultation on Proposed Changes to Funding and Asset Allocation Rules Under a Future Agreement Respecting Multi-jurisdictional Pension Plans**

On behalf of the Canadian Association of Pension Supervisory Authorities (CAPSA), we are pleased to release the enclosed *Consultation Paper on Proposed Changes to Funding and Asset Allocation Rules Under a Future Agreement Respecting Multi-jurisdictional Pension Plans* for your review and comment.

One of CAPSA's strategic priorities is to support the adoption and implementation of an agreement respecting the regulation of multi-jurisdictional pension plans by all Canadian jurisdictions with pension legislation. A multi-jurisdictional pension plan is a pension plan that has members in more than one jurisdiction in Canada, resulting in the plan being subject to more than one jurisdiction's pension legislation. There are over 2,000 multi-jurisdictional pension plans in Canada with more than two million members across the country.

In 2016, the governments of British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan signed the 2016 Agreement Respecting Multi-jurisdictional Pension Plans (2016 Agreement), which was prepared by CAPSA and clarifies how each participating government's pension legislation must be applied to the multi-jurisdictional pension plans that operate in their jurisdictions. In addition to providing this clarity, the 2016 Agreement simplifies the rules under which multi-jurisdictional plans operate by applying only the rules of the jurisdiction in which the plurality of active plan members are employed to key aspects of these plans' operations (including plan funding).

When CAPSA announced the adoption of the 2016 Agreement, CAPSA noted that it was negotiated as an interim measure while CAPSA completes a future agreement that is intended to be signed by all Canadian governments with pension legislation, and which will address the issue of changing pension plan funding regimes across jurisdictions. CAPSA also committed to holding a public consultation on any such future agreement.

CAPSA is currently developing the future agreement respecting multi-jurisdictional pension plans (Future Agreement), which is intended to replace the 2016 Agreement and be signed by all governments in Canada that have pension legislation.



The two most significant areas of the 2016 Agreement where changes are being considered for the Future Agreement are the funding rules that apply to a multi-jurisdictional defined benefit pension plan while it is ongoing, and the rules for allocating the assets of such a plan between jurisdictions when certain major events occur (such as the wind up of the plan). These two elements are linked, and CAPSA has developed two broad options for addressing them, as described in the enclosed consultation paper.

Your feedback on the options described in the consultation paper is appreciated. Please direct your submissions (electronic are preferred) to the CAPSA Secretariat:

Mohammed Jaffri  
A/Policy Manager  
CAPSA Secretariat  
5160 Yonge Street, 16<sup>th</sup> Floor  
Toronto ON M2N 6L9  
E-mail: [capsa-acor@fsc.gov.on.ca](mailto:capsa-acor@fsc.gov.on.ca)

We look forward to receiving your comments by **August 31, 2017**.

All submissions received will be publicly released on the CAPSA website at the end of the consultation period. Any questions regarding this consultation may be directed to the CAPSA Secretariat at the contact information noted above.

Please note that these documents do not reflect the official position of any provincial or federal government or agency.

We appreciate your participation in this consultation. All comments will be fully considered as CAPSA works towards finalization of the Future Agreement.

Sincerely,

Angela Mazerolle  
Chair, CAPSA  
Superintendent of Pensions,  
New Brunswick