

The background of the lower half of the cover is a photograph taken from a high angle, looking down at a round, white table. Several white, modern-style chairs with metal frames and casters are arranged around the table. The floor is a light grey, textured surface. A semi-transparent blue rectangle is overlaid on the left side of the image, containing the title text.

STRATEGIC PLAN

2023 to 2026

May 2023

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Message from the Chair

On behalf of the members of the Canadian Association of Pension Supervisory Authorities (CAPSA), it is my pleasure to present CAPSA's 2023-2026 Strategic Plan.

Over the past few years, sponsors and members of pension plans worldwide have faced considerable economic uncertainty. The 2020 COVID-19 pandemic alongside the continued emergence of new variants coupled with inflationary trends due to COVID-related global supply chain disruptions, interest rate increases and resulting fiscal policies aimed at economic stimulation, have created a challenging economic environment. This has left sponsors of defined benefit plans focused on ensuring the long-term solvency of their plans. Defined contribution plan members are questioning whether they need to defer their retirement and retirees are concerned they will outlive their assets. Plan administrators are also facing pressure to invest in and implement better risk management practices including the incorporation of environmental, social and governance (ESG) principles in investment decisions, as well as strategies to combat cyber risk.

As regulators, the current environment has reinforced the need to assist pension plan administrators in meeting their fiduciary duty while protecting the entitlements of pension plan beneficiaries. Continued focus on regulatory guidelines that are both risk-based and principles-based remains a top priority.

CAPSA has achieved significant progress on the key priorities and initiatives outlined in our 2019 -2022 Strategic Plan. In 2020, CAPSA developed the Agreement Respecting Multi-Jurisdictional Pension Plans (2020 Agreement) as a practical solution to coordinate and harmonize pension regulation across Canada. The 2020 Agreement now applies to the vast majority of multi-jurisdictional plans in Canada and establishes a clear legal framework for the administration and regulation of these plans. The 2020 Agreement will continue to protect member entitlements and ease the regulatory burden for pension plans in Canada.

In our previous Strategic Plan, CAPSA focused on reviewing and updating existing guidelines as a part of CAPSA's commitment to improving pension plan administration and enhancing protection for plan beneficiaries. CAPSA also worked with pension



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stakeholders to consider evolving risks and develop best practices to manage those risks effectively. To this end, our work on the Capital Accumulation Plans (CAP) Guideline will continue in the 2023 to 2026 cycle. CAPSA will also continue work on an inclusive Risk Management Guideline. This consolidated guideline, which will include sections based on risk-type, will provide a Cybersecurity Toolkit of Best Practices, guidelines on the integration of ESG factors, as well as guidelines pertaining to the use of leverage.

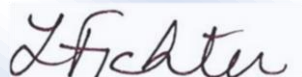
CAPSA is also leading a forum for the development of a policy framework for variable payment life annuities (VPLA). This work is intended to assist in guiding governments across Canada in their development of legislation for VPLAs. Harmonized legislation will decrease regulatory burden for pension plan administrators responsible for the administration of a VPLA fund.

In addition to our continued work on the CAP and Risk Management Guidelines, in our 2023 to 2026 cycle, CAPSA will also prioritize initiatives aimed at:

- Updating current guidelines in the area of decumulation of defined contribution account balances.
- Identifying, sharing information and responding to emerging issues in the pension sector as appropriate.
- Determining methods for regulators to supervise the management of risk in pension plans.

In our 2023 to 2026 strategic plan cycle, CAPSA will focus on promoting harmonized regulatory guidance, standards and expectations that are useful for policy makers, plan members and administrators and can be used to manage risk effectively in a changing environment. Alongside the publication of guidance in new areas, CAPSA will focus on determining effective supervisory methods and approaches for regulators. These initiatives demonstrate CAPSA's continued commitment to harmonized national regulatory approaches that are risk-based and principles-based, facilitating an efficient and effective pension regulatory system for Canadians.

Leah Fichter



Chair, CAPSA

Deputy Superintendent of Pensions

Financial and Consumer Affairs Authority of Saskatchewan

Structure

EXECUTIVE COMMITTEE

CAPSA operates under the direction of an Executive Committee:

Leah Fichter, CHAIR

Executive Director, Pensions Division and Deputy Superintendent of Pensions
Financial and Consumer Affairs Authority of Saskatchewan

Angela Mazerolle, VICE CHAIR

Vice President, Regulatory Operations and Superintendent of Pensions
Financial and Consumer Services Commission (New Brunswick)

Caroline Blouin, VICE CHAIR

Executive Vice President, Pensions
Financial Services Regulatory Authority of Ontario

MEMBERS

CAPSA members include representation from all Canadian provinces (except PEI) and the Office of the Superintendent of Financial Institutions (OSFI). Canada Revenue Agency and Statistics Canada are associate members of CAPSA.

CAPSA SECRETARIAT

The CAPSA Secretariat manages, coordinates, monitors and reports on all CAPSA projects and policy initiatives as well as facilitates CAPSA activities, including governance, strategic planning and financial stewardship.

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VISION

Harmonized regulatory approaches to the supervision of pension plans across Canada.

MANDATE

To facilitate an efficient and effective pension regulatory system in Canada by developing practical solutions and guidance to further the coordination and harmonization of pension regulatory principles across Canada.

ROLE

CAPSA's role is to promote the coordination and harmonization of regulatory principles and practices in the supervision of pension plans. CAPSA provides a forum where pension regulators across the country share information on regulatory issues in their jurisdiction, and where possible, collaborate in developing practical solutions to address them.

CAPSA develops regulatory policies and guidelines to improve pension plan administration and support pension plan administrators in meeting their fiduciary duty, while enhancing the protection provided to pension plan members across Canada.

OUR VALUES

Organizations are driven by the shared values of their members. These values define acceptable behaviour and dictate how members relate to one another and to stakeholders.

We have a shared commitment to:

- Responsiveness
- Teamwork
- Accountability
- Innovation
- Openness, Accessibility and Transparency

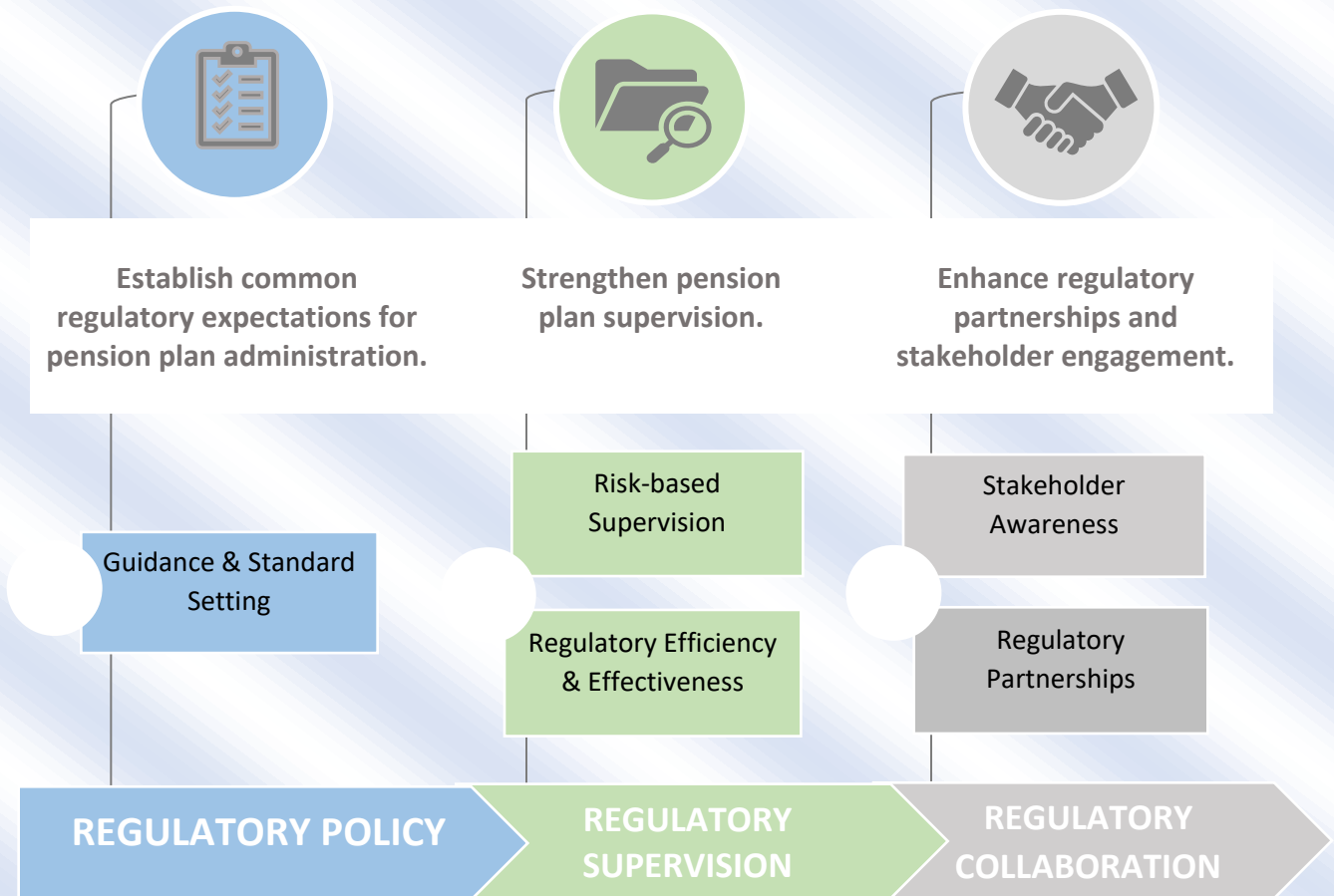
OUR APPROACH

- We are proactive, consultative and collaborative.
- We coordinate our regulatory activities and share information.
- We conduct research and examine pension issues and trends in order to respond effectively and stay informed.
- We strive to work with our stakeholders in order to develop outcomes that meet our common objectives.






2023 - 2026 Strategic Plan Overview

CAPSA has established a strategic plan framework with three pillars supporting our activities in our 2023 to 2026 cycle.



2023 - 2026 Strategic Priorities & Initiatives

Strategic Priority 	Initiative 	Deliverable 
1. Establish common regulatory expectations for pension plan administration.	<ul style="list-style-type: none"> i. Review guidelines in the area of decumulation of DC account balances. ii. Finalize the review and update of CAPSA Guideline No. 3 – Guidelines for Capital Accumulation Plans. 	<p>Establish CAPSA Committee and Terms of Reference by end of 2023. Committee will determine scope of work and complete its work in 2024.</p> <p>Publish Guideline by end of 2023.</p>
2. Strengthen pension plan supervision.	<ul style="list-style-type: none"> i. Finalize CAPSA’s inclusive Risk Management Guideline. ii. Members to identify, share information and respond to new and emerging issues in the pension sector as appropriate. 	<p>Publish Guideline for consultation in Summer 2023 and finalize by Q1 2024.</p> <p>Ongoing engagement amongst CAPSA members to support co-ordinated and harmonized practices where possible; review existing guidelines for relevance where appropriate.</p>
3. Enhance regulatory partnerships and stakeholder engagement.	<ul style="list-style-type: none"> i. Membership in and engagement with the International Organisation of Pension Supervisors (IOPS) by 	<p>Ongoing engagement. The CAPSA Executive acts as liaison between IOPS and pension</p>

	<p>participating in meetings and projects.</p> <p>ii. Participate in the Joint Forum of Financial Market Regulators to consider issues across pensions, insurance and securities sectors in Canada.</p> <p>iii. Support and engage with the sector by participating in national industry events.</p> <p>iv. Engage Industry Working Groups comprised of pension stakeholders in the development of guidance and best practices.</p>	<p>regulators across Canada.</p> <p>Ongoing engagement by CAPSA members. CAPSA is the Chair of the Joint Forum meeting in 2023.</p> <p>Ongoing engagement by CAPSA members.</p> <p>Ongoing engagement, as required.</p>
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Standing Committees

ACTUARIAL STANDARDS COMMITTEE

The mandate of the Actuarial Standards Committee is to:

Monitor exposure drafts, consultation documents, Standards of Practice, educational notes and other communications issues by the Canadian Institute of Actuaries (CIA), Actuarial Standards Board (ASB) and Actuarial Standards Oversight Council (ASOC); Monitor and consider any other actuarial developments which potentially affect CAPSA members; Consider the implications of any issues reviewed by the Committee and develop consensus CAPSA positions as appropriate; and inform CAPSA members of such developments and issues, and provide any recommended action for CAPSA's approval.

MULTILATERAL AGREEMENT COMMITTEE:

In 2020, the Agreement Respecting Multi-Jurisdictional Pension Plans (2020 Agreement) was adopted as a practical solution to coordinate and harmonize pension regulation across Canada. This agreement now applies to the vast majority of multi-jurisdictional plans in Canada, establishes a clear legal framework for the administration and regulation of these plans, and effective July 1, 2023, will be adopted by all jurisdictions in Canada with pension legislation.

In order to continue advancing its mandate, the Multilateral Agreement Committee will:

- Continue to facilitate the implementation of the 2020 Agreement;
- Monitor legislative changes that are introduced across Canada; consider their implications and recommend changes to the 2020 Agreement as appropriate;
- Develop and oversee implementation of Administrative Procedures under the 2020 Agreement;
- Conduct reviews and provide advice on disputes as outlined in the Administrative Procedures, as required.



