

FSRA

Financial Services Regulatory
Authority of Ontario

Office of the
Chief Executive Officer



ARSF

Autorité ontarienne de réglementation
des services financiers

Bureau du
directeur général

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the "Act"), in particular section 80.4;

AND IN THE MATTER OF a Notice of Intended Decision of the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the "Chief Executive Officer") respecting the Metropolitan Toronto Pension Plan, Registration Number 0351577 (the "Plan").

TO:

City of Toronto
Metro Hall, 14th Floor
55 John Street
Toronto ON M5V 3C6

Attention: Sandra Califaretti
Interim Controller and Treasurer
Metropolitan Toronto Pension Plan

Applicant and Employer

AND TO:

OMERS Administration Corporation
900-100 Adelaide Street West
Toronto ON M5H 0E2

Attention: Audrey Mak
VP Pension Policy

OMERS Plan Administrator

NOTICE OF INTENDED DECISION

TAKE NOTICE THAT pursuant to section 80.4 of the Act, the Chief Executive Officer intends to make an order to consent to the conversion and transfer of assets from the Plan to the OMERS Primary Pension Plan, Registration Number 0345983 (the "OMERS Plan"), in accordance with the application of the City of Toronto (the "City") filed on February 5, 2019, with additional materials submitted on

February 15, 2019, April 25, 2019, and June 19, 2019, provided that amendments to the Plan and the OMERS Plan be first adopted by the sponsors of the Plan and the OMERS Plan and filed with the Chief Executive Officer under section 12 of the Act.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTION 89(6) OF THE ACT. A hearing before the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. A copy of that form is included with this Notice of Intended Decision. Additional copies can be obtained by visiting the Tribunal’s website at www.fstontario.ca.

TAKE NOTICE THAT if no written request for a hearing is delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, the Chief Executive Officer will carry out the intended decision to make an order to consent to the conversion and transfer of assets from the Plan to the OMERS Plan pursuant to section 89(7) of the Act.

In order to request a hearing, a completed Request for Hearing Form (Form 1) must be delivered to the Tribunal within thirty (30) days after this Notice of Intended Decision is served. The form must be mailed, delivered, faxed, or emailed to:

Address: Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto ON M2N 6L9

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings Before the Financial Services Tribunal* (“Rules”) made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22; as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

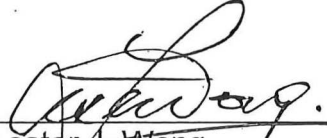
1. The City sponsors and administers the Plan, which is a public sector single employer pension plan and therefore qualifies to apply for a conversion and transfer of assets under section 80.4 of the Act. The OMERS Plan is a jointly sponsored pension plan that is sponsored by the OMERS Sponsors Corporation, and administered by the OMERS Administration Corporation (the "OMERS Administration").
2. On February 5, 2019, the City filed an application under section 80.4 of the Act for the Superintendent of Financial Services' (the "Superintendent's") approval of a proposed conversion and transfer of assets from the Plan to the OMERS Plan. A certified copy of the Notice of Application for the Superintendent's Consent sent to retired members and other persons entitled to benefits under the Plan was filed with the Superintendent on February 15, 2019, by the City to complete its application (collectively the "Application").
3. On April 25, 2019, the City responded in writing to the Superintendent's request for additional information regarding the Application. These submissions include an undertaking by the City and OMERS Administration, as required by section 7(1)(2)(ii) of Ontario Regulation 311/15 ("O. Reg. 311/15").
4. On June 8, 2019, the Financial Services Regulatory Authority of Ontario assumed the regulatory duties of the Financial Services Commission of Ontario, and the Chief Executive Officer assumed the regulatory duties of the Superintendent, under the Act.
5. The effective date of the proposed conversion and transfer of assets is October 31, 2019.
6. On June 19, 2019, the City responded in writing to the Chief Executive Officer's request for additional information regarding the Application. This submission include clarification on the information presented in the sample notice to the other beneficiaries.
7. In accordance with Schedule 10 of O. Reg. 311/15, proposed amendments to the Plan and the OMERS Plan were filed as part of the Application.
8. Section 80.4(13) of the Act provides that the Chief Executive Officer shall consent to the conversion and transfer of assets from a single employer pension plan to a jointly sponsored pension plan in accordance with the Application if all of the applicable listed criteria are satisfied. These criteria are set out in section 80.4(13) of the Act, which states:

80.4 (13) *The Chief Executive Officer shall consent to the transfer of assets in accordance with the application if all of the following criteria, and such other criteria as may be prescribed, are satisfied:*

1. *Notice of the application for the Chief Executive Officer's consent has been given in accordance with this section to the members, former members, retired members and other persons entitled to benefits under the single employer pension plan and to any trade union that represents members of the plan.*
2. *The employer of the single employer pension plan and the sponsors of the jointly sponsored pension plan have entered into an agreement with respect to the proposed transfer of assets.*
3. *Notice of the proposed conversion of the pension plan and transfer of assets has been given in accordance with this section to the members, former members, retired members and other persons entitled to benefits under the plan, to any trade union that represents members of the plan and to the Chief Executive Officer.*
4. *Consent to the proposed conversion and transfer of assets has been given or is deemed to have been given, in accordance with this section, by the members, former members, retired members and other persons entitled to benefits under the plan.*
5. *As of the effective date of the transfer, the employer is a participating employer under the jointly sponsored pension plan.*
6. *As of the effective date of the transfer, the transferred members and other transferees cease to be entitled to benefits under the single employer pension plan and they are entitled to benefits under the jointly sponsored pension plan.*
7. *As of the effective date of the transfer, the commuted value of the pension benefits provided under the jointly sponsored pension plan for the transferred members is not less than the commuted value of their pension benefits under the single employer pension plan, as adjusted for any payments made from the single employer pension plan to a prescribed retirement savings arrangement or made directly to the transferred members in connection with the transfer of assets.*
8. *As of the effective date of the transfer, the pension benefits provided under the jointly sponsored pension plan for the other transferees are, at a minimum, the same as the pension benefits provided for them under the single employer pension plan.*

9. *As of the effective date of the transfer, every transferred member is entitled to credit in the jointly sponsored pension plan for the period of his or her membership in the single employer pension plan for the purpose of determining eligibility for membership in, or entitlement to benefits under, the jointly sponsored pension plan.*
9. The Chief Executive Officer is satisfied, as there are no active members of the Plan, that the following statutory criteria have been met:
 1. notice of the Application for the Chief Executive Officer's consent was provided in accordance with section 80.4(13)1;
 2. the City, the OMERS Sponsors Corporation and OMERS Administration entered into an agreement with respect to the proposed conversion and transfer of assets on December 21, 2017, thereby satisfying the criterion in section 80.4(13)2;
 3. notices providing information of the proposed conversion and transfer of assets have been given in accordance with section 80.4(13)3;
 4. consent to the proposed conversion and transfer of assets has been given in accordance with section 80.4(13)4; and
 5. as of the effective date of the conversion and transfer of assets, the City will be a participating employer in the OMERS Plan in accordance with section 80.4(13)5.
10. In accordance with Schedule 10 of O. Reg. 311/15, a proposed amendment to the Plan was filed as part of the Application. In order for the Chief Executive Officer to be satisfied that the criteria under paragraphs 6 and 8 of section 80.4(13) have been met, the following must be satisfied:
 1. the proposed amendment to the OMERS Plan filed on February 5, 2019, must be updated to reflect the obligation assumed by the OMERS Plan for each transferee as of the effective date of the transfer;
 2. the administrator of the OMERS Plan must file with the Chief Executive Officer the text of the Plan as a document that creates and supports the OMERS Plan; and
 3. both the proposed amendments to the Plan and the OMERS Plan must be adopted by each of the City of Toronto and the OMERS Sponsors Corporation respectively, and filed with the Chief Executive Officer under section 12 of the Act.
11. Once the amendments are adopted and filed as set out in paragraph 10 above, the criteria for the Chief Executive Officer's consent under paragraphs 6 and 8 of section 80.4(13) of the Act will be met.
12. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, *October 15*, 2019.



Lester J. Wong
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer

COPY: Graham Abell
Director, Actuarial Services
OMERS Administration Corporation
900-100 Adelaide Street West
Toronto ON M5H 0E2