

FSRAFinancial Services Regulatory
Authority of Ontario**ARSF**Autorité ontarienne de réglementation
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M2N 6L9Téléphone : 416 250 7250
Sans frais : 1 800 668 0128**VIA E-MAIL**

January 6, 2021

Attn: Mr. Greg Booth
Controller
Navistar Canada ULC
571 Glover Road
Hannon, ON L0R 1P0greg.booth@navistar.com

and

Attn: Mr. Brian Brown
Treasurer
Navistar Canada ULC
571 Glover Road
Hannon, ON L0R 1P0brian.brown@navistar.com**Re: Navistar Canada ULC Retirement Plan for Salaried Employees
Registration Number 0586289**

Enclosed, please find the Notice of Intended Decision with respect to the above noted pension plan.

Yours truly,

A handwritten signature in black ink, appearing to read 'Mitzi D'Souza'.

Mitzi D'Souza
Administrative Assistant, Pensions

Enclosure

c: Nancy Su, Financial Services Regulatory Authority of Ontario

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (the “Act”), subsection 62.1(5);

AND IN THE MATTER OF the Navistar Canada ULC Retirement Plan for Salaried Employees, Registration Number 0586289 (the “Plan”).

NOTICE OF INTENDED DECISION

TO: Navistar Canada ULC
571 Glover Road
Hannon ON L0R 1P0

Attention: Greg Booth
Controller

&

Brian Brown
Treasurer

Employer and Applicants

TAKE NOTICE THAT pursuant to subsection 62.1(5) of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Head, Pension Plan Operations and Regulatory Effectiveness (the “Head”), intends to make an order to consent to the payment in respect of the Plan to Navistar Canada ULC, in the amount of \$678,000 as at January 1, 2020, plus investment earnings thereon to the actual date of payment. Details of this intended decision are described below.

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 SUBSECTION 89(6) OF THE ACT. A hearing by 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. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
5160 Yonge Street
14th Floor, Box 85

Toronto ON M2N 6L9

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca.

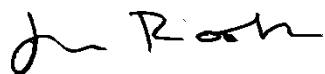
The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. The Rules are available at the website of the 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. Navistar Canada ULC is the employer and administrator as defined in the Plan (the "Employer").
2. Following the closure of its Chatham plant in June 2018, the Employer declared a partial wind up of the Plan effective June 30, 2012.
3. The Plan had a partial wind up funding deficit of \$4,295,235 under section 75 of the Act, as per the partial wind up report as at June 30, 2012, filed by the Plan's actuary. The Employer has been funding the liability by way of contributions under section 75 of the Act.
4. Since June 30, 2012, the Employer remitted contributions totalling \$1,760,872 to fully fund the partial wind up deficit.
5. Information provided by the Plan's actuary on October 5, 2020, as part of the Employer's application under section 62.1 of the Act, showed that after distributing all partial wind up liabilities, the Plan's partial wind up assets exceed the partial wind up liabilities by \$678,000. This amount was determined by the Plan's actuary by way of the actuarial valuation report as at January 1, 2020, filed with FSRA on July 21, 2020.

6. In these circumstances, subsection 32(4) of the Regulation 909 states that the money remaining in the pension fund may be paid to the employer in accordance with subsection 62.1 of the Act, as if the money was an overpayment into the pension fund by the Company within the meaning of subsection 62.1(1)(b) of the Act.
7. Subsection 62.1(4) of the Act states that if an employer makes an overpayment into the pension fund, the application for reimbursement for the payment, must be made before the later of, (a) 24 months after the date on which the employer made the overpayment; and (b) six months after the date on which the administrator, acting reasonably, becomes aware of the overpayment.
8. The Employer's application for reimbursement of the overpayment was made on October 5, 2020. This date is within six months after the date on which the administrator, acting reasonably, became aware of the overpayment. Accordingly, the application has been filed within the time limits set out in subsection 62.1(4) of the Act.
9. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, January 6, 2021.



Jennifer Rook
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer