

## Disclaimer

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Superintendent of  
Financial  
Services



Surintendant des  
services  
financiers

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

**AND IN THE MATTER OF** a Notice of Intended Decision of the Superintendent of Financial Services to Make an Order under section 87 of the PBA relating to the Pension Plan for Bargaining Unit Employees of Delta International Machinery, A Division of Pentair Canada Inc., International Molders' and Allied Workers' Union, Local 92, Registration Number C-17760.

**TO:**

**The Manufacturers Life Insurance Company**

Ombuds Office  
500 King St. North  
Waterloo ON N2J 4C6

**Attention:**

Annemarie Lees  
Consultant, Ombuds Office

**AND TO:**

**DP**

Member

## NOTICE OF INTENDED DECISION

**I INTEND TO MAKE AN ORDER** in respect of the Pension Plan for Bargaining Unit Employees of Delta International Machinery, A Division of Pentair Canada Inc., International Molders' and Allied Workers' Union, Local 92, Registration Number C-17760 (the “Plan”), under section 87 of the PBA, requiring The Manufacturers Life Insurance Company (“Manulife”) to pay pension benefits to DP under the Plan.

Si vous désirez recevoir cet avis en français, veuillez envoyer votre demande immédiatement à: Adjointe, audiences, Greffe, Commission des services financiers de l'Ontario, 5160 rue Yonge, boîte 85, Toronto ON M2N 6L9.

**YOU ARE ENTITLED TO A HEARING** by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the PBA. **A hearing before the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing (Form 1) and submitting it to the Tribunal within 30 days after this Notice of Intended Decision is served on you.**<sup>1</sup> Additional copies can be obtained by visiting the Tribunal's website at [www.fstontario.ca](http://www.fstontario.ca).

**If a Request for Hearing (Form 1) is submitted to the Tribunal within 30 days after this Notice of Intended Decision is served on you**, sections 89(8) and 89(9) of the PBA provide that the Tribunal shall appoint a time for and hold a hearing, and by order may direct the Superintendent of Financial Services (the “Superintendent”) to make or refrain from making the intended decision indicated in this notice and to take such action as the Tribunal considers the Superintendent ought to take in accordance with the PBA and the regulations, and for such purposes, the Tribunal may substitute its opinion for that of the Superintendent.

**IF NO WRITTEN REQUEST FOR A HEARING IS MADE within 30 days after this Notice is served on you, TAKE NOTICE THAT the Superintendent will make an Order requiring Manulife to pay pension benefits to DP pursuant to section 87 of the PBA.**

A completed Request for Hearing form must be received by the Tribunal within 30 days after this Notice is served on you. It may be mailed, faxed, or delivered to:

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

Attention: The Registrar  
Fax: 416-226-7750

The hearing before the Tribunal will proceed in accordance with the Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. Those Rules are available at the website of the Tribunal: [www.fstontario.ca](http://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 ext. 7294.

#### **REASONS FOR INTENDED DECISION:**

1. Delta International Machinery established the Plan effective April 1, 1984.
2. DP was employed in the Foundry Division of Delta International Machinery (a division of Pentair). DP was a member of the Plan.
3. DP’s employment was terminated on April 10, 1987, when the Foundry Division at which he worked was closed. At this time, the Plan was partially wound up (the “First Partial Wind Up (1987)”).
4. In order to effect the First Partial Wind Up (1987), the Plan administrator obtained an annuity quote from Industrial Alliance Life Insurance Company (Quote Number 6084) (“Annuity Quote 6084”). DP was listed in the annuity quote, which notes his date of birth, normal retirement date and monthly pension entitlement. The annuity quote was attached to the First Partial Wind Up (1987) report prepared by the actuary A.S. Ross (revised September 1987).
5. The First Partial Wind Up (1987) report noted: “The remaining liabilities of \$97,709, plus the additional \$11,056 in respect of employees whose age and service total less than 55 will be transferred to the Non-Foundry Division of the plan to provide deferred and immediate pensions.” DP’s age and service totalled less than 55 and thus the liability with respect to DP was transferred to the Non-Foundry Division of the Plan.
6. DP received a Statement of Benefits, prepared by Delta International Machinery and signed January 28, 1988 (the “1988 Statement of Benefits”), which indicated that he was

entitled to a deferred vested pension commencing on his Normal Retirement Date, payable in monthly instalments guaranteed for life only.

7. Effective June 1, 1988, the Plan was partially wound up (the "Second Partial Wind Up (1988)").
8. An actuarial report prepared by Hewitt Associates as at June 1, 1988 (the "1988 Hewitt Report") noted that the Plan membership "Includes foundry employees who retained a deferred vested entitlement as a result of the partial plan termination as of April 10, 1987." DP was a foundry employee and was in this class.
9. The 1988 Hewitt Report noted that deferred vested participants who were terminated before January 1, 1988, and who were not over the age of 45 were entitled to the options described in Form 4 of the 1988 Hewitt Report. Form 4 provided for either (a) the same as Form 1(a) (deferred pension commencing on normal retirement date) or (b) a transfer of the lump sum value of the payments in (a) to a non-locked-in RRSP.
10. There is no record that DP elected to transfer the lump sum value of his deferred pension to a non-locked-in RRSP.
11. The 1988 Hewitt Report also noted: "North American Life quoted the single premium required to purchase the benefit obligation. For employees electing an immediate or deferred pension, the benefit will be purchased from North American Life at the single premium purchase price quoted, adjusted with interest from June 1, 1988 (June 30, 1988, if applicable) to the actual date of purchase."
12. Annuities to provide for immediate and deferred pensions were purchased from North American Life and the Plan was fully wound up, effective June 30, 1988.
13. North American Life merged with Manulife in 1996. As a result, Manulife assumed liability for annuities purchased from North American Life.
14. Manulife has indicated that they have no records related to DP's pension entitlement.
15. The burden of establishing a pension entitlement rests on the member. Based on the evidence available, the Superintendent is satisfied that DP has met this burden on a balance of probabilities.
16. The evidence outlined above establishes that DP has a pension entitlement under the Plan.
17. For the reasons outlined above and for such further and other reasons as may come to his attention, the Superintendent intends to make an order pursuant to section 87 of the PBA requiring Manulife to pay DP's pension benefits in accordance with the 1988 Statement of Benefits.

**DATED** at Toronto, Ontario, this 23<sup>rd</sup> day of January, 2019.

*Original Signed By*

Lester J. Wong  
Deputy Superintendent, Pensions

By delegated authority from the  
Superintendent of Financial Services

1NOTE - Pursuant to section 112 of the PBA any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the fifth day after the date of mailing.

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