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Superintendent of
Financial
Services



Surintendant des
services
financiers

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 sections 69(1)(a) and (b), 55(2), and 87(2)(c) of the *PBA* relating to the Pension Plan for Hourly Employees of Wabi Iron & Steel Corp., Registration Number 1001916

TO:

Wabi Iron & Steel Corp.
330 Broadwood Ave.
P.O. Box 1510
New Liskeard, ON P0J 1P0

Attention: Gary Godreau
Executive Vice President

Employer and Administrator of the Plan

NOTICE OF INTENDED DECISION

I INTEND TO MAKE AN ORDER that the Pension Plan for Hourly Employees of Wabi Iron & Steel Corp., Registration Number 1001916, (the “Plan”) be wound up as at March 31, 2014 under section 69(1)(b) of the *PBA*.

I ALSO INTEND TO MAKE AN ORDER under sections 55(2) and 87(2)(c) of the *PBA* that Wabi Iron & Steel Corp. (“Wabi”) remit all outstanding contributions with interest to the Plan.

REASONS:

1. Wabi is the employer and administrator of the Plan.
2. The Plan was established effective March 11, 1993 as a defined benefit non-contributory pension plan with a fiscal year end of December 31.

3. Section 6.02 of the Plan states:

Company Contributions

Each month or within 30 days thereafter the Company (defined in the Plan as Wabi) shall make such payments to the Funding Agency for the credit of the Pension Fund as are necessary, in the opinion of the Actuary, to provide the pension benefits accruing to the Members during such Plan Year and to amortize any initial unfunded liabilities or experience deficiencies in accordance with the Pension Benefits Act, after taking into account the assets of the Pension Fund, the earnings thereon, and all other relevant factors. Any surplus assets in the Pension Fund, as determined by the Actuary, may be applied to reduce any payments to the Pension Fund that the Company would otherwise be required to make.

In the event of termination of the Plan as provided pursuant to Section 15 hereof, the Company shall not be obligated to make any further contributions to the plan save and except those which it was required, by reference to the Pension Benefits Act, to make and has not made in respect of benefits accrued under the Plan prior to the date of such termination.

4. A Notice of Proposal was issued against Wabi on June 27, 2008, proposing that the Plan be wound up effective November 1, 2007 and that all outstanding contributions be remitted to the Plan. The outstanding contributions were estimated as approximately \$600,000.00 by the Plan's Actuary as at December 31, 2006. The Plan's Actuary also estimated that as at May 1, 2006, the Plan had a solvency deficiency of \$444,419.00.
5. Wabi requested a hearing with respect to the Notice of Proposal. That matter was settled on or about August 28, 2009.
6. Pursuant to the settlement, Wabi was to make equal monthly payments on the outstanding contributions to the Plan over a nine-year period, commencing October 1, 2009 and continuing on the 1st of each month thereafter, with the final payment to occur on September 1, 2018. As of October 1, 2009, the total of the outstanding contributions was \$904,820.00. The equal monthly payments were to be amortized over the payment schedule.
7. The settlement provided that in the event that Wabi did not make a scheduled monthly payment pursuant to the above schedule by the 15th day of the month in which it was due, the Superintendent of Financial Services (the "Superintendent") could take action including the issuance of a Notice of Proposal to wind up the Plan upon first providing written notice of this intention to Wabi and the United Steel, Paper and Rubber, Manufacturing, Energy and Service Workers International Union, Local 2020 (the "Union"). This written notice was provided on January 8, 2013.
8. Section 55(2) of the PBA states that an employer who is required to make contributions to a pension plan shall make the contributions in accordance with the prescribed requirements for funding and in the prescribed manner to the pension fund.

9. Section 4(4) of the Regulation states that employer contributions to a pension plan shall be made in monthly installments within 30 days after the month for which the contributions are payable.
10. Section 87(2)(c) of the *PBA* states that the Superintendent may by order require an administrator or any other person to take any action in respect of a pension plan or a pension fund, if the Superintendent is of the opinion, upon reasonable and probable grounds, that the administrator or employer of the pension plan is contravening a requirement of the *PBA* or the Regulation.
11. Section 69(1)(a) of the *PBA* states that the Superintendent may require the wind up of a pension plan if there is a cessation or suspension of employer contributions to the pension fund.
12. Section 69(1)(b) of the *PBA* states that the Superintendent may require the wind up of a pension plan if the employer fails to make contributions to the pension fund as required by the *PBA* or the Regulation.
13. Since November 2011, Wabi has failed to make the employer contributions to the pension fund of the Plan within the prescribed timeframe as required by the *PBA* and Regulation and continues to fail to do so.
14. Employer contributions for the months of October, November and December 2013 remain outstanding.
15. Such further and other reasons as may come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Intended Decision is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

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

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca or contact the Registrar of the Tribunal by phone at 416- 590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE INTENDED DECISION AS DESCRIBED IN THIS NOTICE.

THE ADMINISTRATOR IS REQUIRED pursuant to section 89(5) of the *PBA* to transmit a copy of this Notice of Intended Decision to the following persons:

The members, former members, and retired members of the Plan;
Each trade union that represents members of the Plan;
The advisory committee of the Plan; and
Any other person entitled to a payment from the pension fund.

DATED at Toronto, Ontario, this **10th** day of **March, 2014**.

Original Signed By

Brian Mills
Deputy Superintendent, Pensions

**copy: United Steel, Paper and Rubber,
Manufacturing, Energy and Service
Workers International Union, Local 2020**

J.D. Sharp & Kecia Podetz

¹*NOTE - 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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