

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## Pension e-Bulletin - February 2007 - Volume 16 - Issue 1


Note: This bulletin contains historical information from the Financial Services Commission of Ontario (FSCO) website. Time sensitive information, which is no longer relevant, may not be included in this bulletin.

### Interested in what's happening between e-Bulletins?






Visit FSCO's new [Pension Bulletin Online](#) page for the latest information. Pension Bulletin Online is updated on an on-going basis as Pension-related matters occur at the Commission.

**This Pension e-Bulletin, has content from October - December 2006 (inclusive).**

Financial Services  
Commission of Ontario



PENSION e-BULLETIN
www.fSCO.gov.on.ca

**CONTENTS**

[GENERAL ANNOUNCEMENTS](#)

[COURT / PROSECUTION MATTERS](#)

[LEGISLATIVE CHANGES / REGULATORY POLICIES](#)

[FINANCIAL SERVICES TRIBUNAL ACTIVITIES](#)

February 2007 - Volume 16, Issue 1

**SUPERINTENDENT OF FINANCIAL SERVICES**

[ADMINISTRATOR APPOINTMENTS](#)

[ORDERS](#)


[CONSENTS / REFUSALS](#)

[DECLARATIONS / ALLOCATIONS](#)

[NOTICES OF PROPOSAL](#)

**GENERAL ANNOUNCEMENTS**

- [Ontario Expert Commission On Pensions - November 2006](#)
- [New Hardship Unlocking Forms for 2007](#)

 [Back to Top button back to top](#)

**COURT / PROSECUTION MATTERS**

Links in this section of the Pension e-Bulletin may contain information outside of the stated reporting period.

**COURT MATTERS**

- [Participating Co-Operatives of Ontario Trustee Pension Plan](#)
- [Kerry \(Canada\) Inc.](#)
- [Rockwell Automation Canada Inc.](#)
- [Slater Steel Inc.](#)

**PROSECUTION MATTERS**

- [AON Consulting Inc. and J. Melvin Norton](#)
- [Trustees of the Canadian Commercial Workers Industry Pension Plan](#)

 [Back to Top button back to top](#)

## LEGISLATIVE CHANGES/ REGULATORY POLICIES

**LEGISLATIVE CHANGES**

- [Bill 14 and Bill 151](#)
- [Ontario Regulation 570/06](#)

**REGULATORY POLICIES**

- [A400-100 Actuarial Filing for Plan Amendments](#)
- [2007 LIF Maximum Payment Amount Table](#)

 [Back to Top button back to top](#)

## FINANCIAL SERVICES TRIBUNAL (FST) ACTIVITIES

Links in this section of the Pension e-Bulletin may contain information outside of the stated reporting period.

**APPOINTMENTS OF FST MEMBERS**

The following cases are adjourned sine die

[...more](#) • [Ivaco](#)

**HEARINGS BEFORE FST**

- [Blair Smears \(CCSI Technology Solutions Corp.\)](#)
- [Board of Trustees of the Local 353, IBEW Pension Fund](#)
- [Board of Trustees of the I.B.E.W. Local 1687 Pension Plan](#)
- [Canadian Bricklayers and Allied Craft Unions Members Pension Trust and Kerry Wilson](#)
- [Canron Construction Inc.](#)
- [CAW-Canada \(Spar Aerospace\)](#)
- [Crown Cork & Seal Canada Inc.](#)
- [Desforges & Kozlowski \(Falconbridge Limited\)](#)
- [First Place, Hamilton](#)
- [Gay Lea Foods Co-operative Limited \(Participating Co-Operatives of Ontario Trusteed Revised Pension Plan\)](#)
- [Honeywell ASCa Inc.](#)
- [Hydro One Members Committee](#)
- [Jacqueline Briand \(Honeywell ASCa Inc.\)](#)
- [Kraft Canada Inc.](#)
- [Loba Limited](#)
- [National Steel Car Limited \(Taso Ristic\)](#)
- [Paramount Pictures \(Canada\) Inc.](#)
- [Peter Stopyn & Douglas Llewellyn \(Journeyman & Apprentices of the Plumbing and Pipefitting Industry\)](#)
- [Shoppers Drug Mart Inc.](#)
- [Stelpipe Ltd. \(Frank Reid\)](#)
- [The Great Atlantic & Pacific Company of Canada \(Jane Parker Bakery Limited\)](#)
- [The Great Atlantic & Pacific Company of Canada](#)
- [Totten Sims Hubicki Associates \(1997\) Limited](#)
- [TransAlta Corporation](#)
- [Unilever Canada Inc. \(Douglas Wills\)](#)

**Financial Hardship**

Application to the Superintendent of Financial Services for Consent to Withdraw Money from a Locked-in Retirement Account, Life Income Fund or Locked-in Retirement Income Fund based on Financial Hardship

- **No Decisions to Report**

**FST DECISIONS**

- [Blair Smears \(CCSI Technology Solutions Corp.\)](#) - **October 30, 2006**

[...more](#)

- [United Steelworkers \(Aluminum Brick and Glass\)](#)

[...more](#)

 [Back to Top button back to top](#)

## **SUPERINTENDENT OF FINANCIAL SERVICES**

### **ADMINISTRATOR APPOINTMENTS**

No new Administrator Appointments at this time.

 [Back to Top button back to top](#)

### **ORDERS**

#### **THAT PLANS BE WOUND UP**

- [AlliedSignal Canada Inc.](#) - **November 14, 2006**
- [D'Orlan Jewellers Company](#) - **December 21, 2006**
- [Ontario Limited, 521728](#) - **December 1, 2006**
- [Regal Greetings & Gifts Corporation](#) - **October 3, 2006**
- [Slater Steel Corp.](#) - **October 12, 2006**

 [Back to Top button back to top](#)

### **CONSENTS / REFUSALS**

#### **CONSENT TO PAYMENTS OF SURPLUS OUT OF WOUND UP PENSION PLANS**

- [Assa Abloy of Canada Ltd.](#) - **December 28, 2006**
- [Androcan Inc.](#) - **November 7, 2006**
- [Bilrite Rubber \(1969\) Limited](#) - **December 14, 2006**
- [Parmalat Food Inc.](#) - **November 7, 2006**

 [Back to Top button back to top](#)

#### **CONSENT TO REFUNDS OF EMPLOYER OVERPAYMENTS**

- No postings at this time

 [Back to Top button back to top](#)

#### **REFUSALS TO CONSENT TO APPLICATIONS FOR THE PAYMENT OF SURPLUS OUT OF WOUND UP PENSION PLANS**

- [Bendix Heavy Vehicles System](#) - **November 14, 2006**

 [Back to Top button back to top](#)

#### **REFUSALS TO CONSENT TO A TRANSFER OF ASSETS**

- [Dow Chemical Canada Inc.](#) - **October 18, 2006**

 [Back to Top button back to top](#)

### **DECLARATIONS / ALLOCATIONS**

#### **DECLARATIONS THAT THE PENSION BENEFITS GUARANTEE FUND APPLIES TO PENSION PLANS**

- [MEC MAHLE Engine Components Canada](#) - **October 21, 2006**
- [Regal Greetings & Gifts Corporation](#) - **October 3, 2006**

 [Back to Top button back to top](#)

#### **ALLOCATIONS OF MONEY FROM THE PENSION BENEFITS GUARANTEE FUND**

- No postings at this time

 [Back to Top button back to top](#)

## NOTICES OF PROPOSAL

**TO MAKE AN ORDER**

- [Bruce G. Miller of Totten Sims Hubicki Associates \(1997\) Limited](#) - **November 21, 2006**
- [Bilrite Rubber \(1969\) Limited](#) - **November 9, 2006**
- [College of Applied Arts and Technology](#) - **November 9, 2006**
- [D'Orlan Jewellers Company](#) - **November 9, 2006**
- [Hastings Inc.](#) - **November 21, 2006**
- [Idlewyld Manor](#) - **November 1, 2006**
- [I.B.E.W. Local 1687](#) - **November 13, 2006**
- [Ontario Limited, 521728](#) - **October 10, 2006**
- [Otis Canada, Inc.](#) - **November 14, 2006**
- [PPG Canada Inc.](#) - **December 18, 2006**
- [Royal Oak Dairy](#) - **December 18, 2006**
- [Unilever Canada Pension Plan](#) - **November 9, 2006**

 [Back to Top button back to top](#)
**TO MAKE A DECLARATION**

- No postings at this time

 [Back to Top button back to top](#)
**TO REFUSE TO APPROVE**

- [Aur Resources Inc.](#) - October 3, 2006

 [Back to Top button back to top](#)
**TO REFUSE TO CONSENT TO AN APPLICATION**

- No postings at this time

 [Back to Top button back to top](#)
**TO REFUSE TO MAKE AN ORDER**

- No postings at this time

 [Back to Top button back to top](#)

You have received this email because you are subscribed to the FSCO Pension e-Bulletin.

Should you wish to remove yourself from the Pension e-Bulletin distribution list, [please follow this link to unsubscribe.](#)

© Queen's Printer for Ontario, 2007

**Pension e-Bulletin****Technical Inquiries:**

[pensionebulletin@fSCO.gov.on.ca](mailto:pensionebulletin@fSCO.gov.on.ca)

**General Inquiries:**

[contactcentre@fSCO.gov.on.ca](mailto:contactcentre@fSCO.gov.on.ca)

Financial Services

Commission of

Ontario

5160 Yonge Street

Toronto, ON M2N 6L9

1-800-668-0128

(416) 250-7250



**ISSN 1911-6810 - Pension e-Bulletin**

[Ce document est disponible en français](#)

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## Ontario Expert Commission on Pensions Established

On November 9, 2006, the government of Ontario announced the appointment of an expert commission to carry out province wide consultations on possible changes to the Pension Benefits Act. The commission is to be chaired by Harry Arthurs, a noted academic and labour lawyer. Other commission members are Ian Markham, Kathryn Bush, Bob Baldwin and Murray Gold. The commission is expected to report back in the summer of 2008.

The commission's areas of focus will include:

- pension plan funding and surplus;
- the Pension Benefits Guarantee Fund;
- full and partial plan wind ups, plan splits and mergers;
- asset transfers between pension plans; and
- funding of defined benefit multi-employer pension plans.

Information about the commission, its terms of reference and contact information is available at [www.pensionreview.on.ca](http://www.pensionreview.on.ca) .

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## New Hardship Unlocking Forms for 2007

**January 1, 2007**

To all owners of Ontario locked-in accounts (locked-in retirement accounts, life income funds and locked-in retirement income funds):

[Form 5 - 2007 Unlocking Instructions and Application](#) - for unlocking applications made to financial institutions

The Financial Services Commission of Ontario has produced a revised form for applications to a financial institution to withdraw money from an Ontario locked-in account based on shortened life expectancy, a small account balance at age 55 or amounts exceeding federal Income Tax Act limits (Form 5). The revised Form 5 is to be used for these kinds of unlocking applications signed on or after January 1, 2007.

The [Form 5 - 2007 Unlocking Instructions and Application](#) are also available by calling the Financial Services Commission of Ontario at 416-250-7250 or toll free at 1-800-668-0128 to have the form sent to you.

[Form 6 - 2007 Financial Hardship Unlocking Instructions and Application](#) - for all categories of financial hardship (except those on Form 5)

The Financial Services Commission of Ontario has produced a revised form for applications to the Superintendent of Financial Services for consent to withdraw money from an Ontario locked-in account based on one or more of the seven categories of financial hardship (Form 6). The revised form reflects the increased limits in several categories for 2007. The revised Form 6 is to be used for financial hardship applications signed on or after January 1, 2007.

The [Form 6 - 2007 Financial Hardship Unlocking Instructions and Application](#) are also available by calling the Financial Services Commission of Ontario at 416-250-7250 or toll free at 1-800-668-0128 to have the form sent to you.

[Form 6.1 - 2007 Financial Hardship Unlocking Instructions and Application](#) - for low income financial hardship only

The Financial Services Commission of Ontario has also produced a revised shorter form for applications to the Superintendent of Financial Services for consent to withdraw money from an Ontario locked-in account based on the low income category of financial hardship (Form 6.1). The revised form reflects the increased amounts for 2007. The revised Form 6.1 is to be used for financial hardship applications signed on or after January 1, 2007.

The [Form 6.1 - Financial Hardship Unlocking Instructions and Application](#) are also available by calling the Financial Services Commission of Ontario at 416-250-7250 or toll free at 1-800-668-0128 to have the form sent to you.

NOTE: If you are applying to the Superintendent for consent to withdraw money from your locked-in account (Form 6 or Form 6.1) for financial hardship unlocking under more than one category, you should complete only Form 6. In this way, only one [application fee](#) will be applied to the total of the withdrawals approved under the application. If you apply using both Form 6 and Form 6.1, you will be charged two application fees.

More information about the [categories of financial hardship unlocking](#) and the [financial hardship applications](#) is available on this website.

For free help in filling out the forms, to obtain copies of the forms or if you have any other questions, contact the Financial Services Commission of Ontario at 416-250-7250 or toll free at 1-800-668-0128.

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## Financial Hardship Unlocking Fees

### Archived Content

The following content was archived on June 24, 2013.

It is provided for historical reference.

The allows individuals who qualify under certain circumstances of financial hardship to apply for special access to the money in their Locked-in Retirement Accounts, Life Income Funds, or Locked-in Retirement Income Funds. Depending on the specific circumstances, the application will be made to the Financial Services Commission of Ontario or the financial institution that holds your locked-in account.

The *Pension Benefits Act* allows individuals who qualify under certain circumstances of financial hardship to apply for special access to the money in their Locked-in Retirement Accounts, Life Income Funds, or Locked-in Retirement Income Funds. Depending on the specific circumstances, the application will be made to the Financial Services Commission of Ontario or the financial institution that holds your locked-in account.

In the past, for situations where the application is made to the Financial Services Commission of Ontario, successful applicants were charged an application fee in order to offset FSCO's administrative costs. The 2011 Ontario Budget will extend the current application fee waiver for applications approved on and after April 1, 2009. The following questions and answers provide additional details.

#### **Q: How does the fee waiver on financial hardship unlocking applications work?**

**A:** While the fee waiver is in place, FSCO will *not* be charging the required fees on financial hardship unlocking applications approved on or after April 1, 2009.

Approved applications will still be subject to applicable withholding taxes at the time that funds are withdrawn from an Ontario locked-in account (locked-in retirement accounts (LIRA), life income funds (LIF) or locked-in retirement income funds (LRIF)).



**Q: I received approval to withdraw money from my locked-in account because of financial hardship prior to April 1, 2009 but have not withdrawn the money yet. If I withdraw the money after April 1, will my fee be waived?**

**A:** No. The fee waiver only applies where the approval of your application is on or after April 1, 2009. The timing of your withdrawal does not alter this.

**Q: Can I get back the fees I already paid to unlock my money?**

**A:** No. The fee waiver will apply only to applications approved on or after April 1, 2009. There will be no refunds of fees paid.

**Q: When will the fee waiver on financial hardship unlocking expire?**

**A:** The fee waiver applies to financial hardship unlocking applications approved on or after April 1, 2009 and is in place until further notice.

[Financial Hardship Unlocking Fees](#)

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## Financial Hardship Unlocking Fees

### **Archived Content**

The following content has been archived.

It is provided for historical reference.

The Pension Benefits Act allows individuals who qualify under certain circumstances of financial hardship to apply to the Financial Services Commission of Ontario (FSCO) for special access to the money in their Locked-in Retirement Accounts, Life Income Funds, or Locked-in Retirement Income Funds. Successful applicants will be charged an application fee equal to 2% of the amount the applicant is entitled to withdraw (with a minimum fee of \$200 and a maximum fee of \$600) in order to offset FSCO's administrative costs.

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## General Announcements

General Announcements listed on this page have been posted since the last edition of the Pension e-Bulletin was distributed. Should you require older information, please refer to the [Pension Bulletins](#) page. A listing of all postings (by calendar year), can be found in the [Cumulative Annual Index](#).

[2006 - Annual Index](#)

[2007 - Annual Index](#)

- [2008 DB Funding Report - April 2008](#)
- [Investment Information Summary Filing - July 2008](#)
- [IIS Filing Exemption for Designated Pension Plans - April 2008](#)
- [Form 8 Updated - April 2008](#)
- [Pension Sector Assessments Mailed - March 2008](#)
- [Plan Administrator Questions Answered - July 2008](#)
- [Changes to the Funding Rules for Multi-Employer Pension Plans - February 2008](#)
- [Changes To The Rules For Ontario Locked-In Accounts - January 2008](#)
- [Pension Assessment - February 2008](#)
- [September 5, 2007 Letter to Financial Institutions - September 2007](#)
- [Filing Information for Pension Plan Administrators - December 2007](#)
- [Pension Unlocking: Non-Hardship - February 2008](#)
- [New Hardship Unlocking Forms for 2008 - January 2008](#)
- [New Forms 2, 4.1, 5, 5.1, 6 and 6.1 - January 2008](#)
- [New Chair of the Financial Services Commission \(FSCO\) and the Financial Services Tribunal \(FST\) named - August 2007](#)
- [Ontario Expert Commission on Pensions - Public Hearing Scheduled Announced - May 2007](#)
- [Ontario Expert Commission on Pensions - Reviewing Ontario's Pension System: What are the Issues? - A Discussion Paper for Interested Ontarians - March 2007](#)

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## Changes to the Funding Rules for Multi-Employer Pension Plans

On August 24, 2007, [O. Reg. 489/07](#) under the *Pension Benefits Act* (SOMEPP Regulation) was filed. The Regulation makes changes to the funding rules for multi-employer pension plans. The following are answers to some of the questions that may arise as a result of these changes.

Please note: In 2009, [Ontario Regulation 447/09](#) extended the SOMEPP Regulation to August 31, 2012. In July 2012, [Ontario Regulation 203/12](#) further extended the SOMEPP Regulation to August 31, 2017.

### Overview of changes

#### **Q1: What are the key changes to the funding rules for multi-employer pension plans (MEPPs)?**

**A2:** The key changes are:

- Introduction of temporary solvency funding relief for Specified Ontario Multi-Employer Pension Plans (SOMEPPs).
- Clarification of the funding requirements for multi-employer pension plans. -08/07

### Rules applicable to SOMEPPs

#### **Q2: What is a Specified Ontario Multi-Employer Pension Plan (SOMEPP)?**

**A2:** A SOMEPP is a multi-employer pension plan which meets the eligibility criteria set out in the new regulation and for which the administrator has filed an election, in writing, with the Superintendent (declaring the pension plan to be a SOMEPP) on or after September 1, 2007 and before September 1, 2017. -07/12

#### **Q3: What eligibility criteria must be satisfied by a MEPP to be a SOMEPP?**

**A3:** The eligibility criteria are:

- No more than 95% of the membership are employed by one employer at the end of the previous year;

- During the previous year at least 15 employers were making contributions to the plan or at least 10% of the members were employed by two or more employers;
- All or substantially all of the employers are not exempt from tax under Part 1 of the *Income Tax Act*;
- All employers make contributions to the plan pursuant to one or more collective agreements;
- The employers' contributions are limited to a fixed amount set out in one or more collective agreements;
- Under the plan the administrator is authorized to determine the benefits that are to be provided under the plan;
- Nothing in the documents that create and support the plan prevents the administrator from reducing the amount of or the commuted value of the pension benefit, a pension, a deferred pension or an ancillary benefit in the circumstances described in subsection 14(2) of the *Pension Benefits Act*. -08/07

**Q4: What funding requirements will be applied to a SOMEPP?**

**A4:** Each actuarial valuation report filed for a SOMEPP, with a valuation date on or after September 1, 2007 and before September 1, 2017, must include a demonstration that the required contributions to the plan are not less than the sum of the following amounts:

- The normal cost of the plan.
- The special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability.
- The special payments to be paid with respect to any going concern unfunded liability determined in the report.

Any going concern unfunded liability determined in a report for a SOMEPP must be liquidated by special payments over a period of 12 years. -07/12

**Q5: Are there limitations on the ability of a SOMEPP to improve benefits?**

**A5:** Yes. If, after an amendment to improve benefits, the transfer ratio of the plan is less than 0.8 or the ratio of the market value of the plan assets to the going concern liabilities is less than 0.9, any increase in the going concern unfunded liability as a result of the amendment must be liquidated by special payments over a period of 8 years. -08/07

**Q6: Given that a SOMEPP is temporarily not required to make solvency special payments, is there still a need to determine the existence of a solvency deficiency?**

**A6:** Yes. A SOMEPP is not exempt from the determination of a solvency deficiency under section 17 of Regulation 909 under the *Pension Benefits Act* (Regulation). An actuarial valuation report filed for a SOMEPP must still set out the amount of the solvency deficiency, if any, and the special payments required to liquidate it in accordance with section 5 of the Regulation.

However, these special payments will not be taken into account in determining the sufficiency of contributions for a SOMEPP. -08/07

**Q7: Is a SOMEPP required to provide notice to the members?**

**A7:** Yes. Notice is required within 60 days of filing a report to which the special funding rules of a SOMEPP apply, and it is to be given to each member and former member of the plan. -08/07

**Q8: What information must be included in the notice?**

**A8:** The notice shall include the following:

- name and the provincial registration number of the plan;
- name and contact information of the administrator;
- transfer ratio of the plan;
- if the plan is amended to increase pension benefits or ancillary benefits, the transfer ratio both before and after the amendment; and
- an explanation of how the security of the pension benefits and ancillary benefits for the members and former members might be affected as a result of the election. -08/07

**Q9: Who else gets a copy of the notice?**

**A9:** A copy of the notice is given to the Superintendent, every employer who makes contributions to the plan and to every bargaining agent who represents members of the plan. The administrator shall also give a copy of the notice to each member who becomes eligible to join or is required to become a member of the plan after the filing of the report and before the plan ceases to be a SOMEPP. -08/07

### Clarification o Funding Requirements for MEPPs

**Q10: What clarifications have been made to the funding rules for MEPPs?**

**A10:** Ontario Regulation 489/07 clarifies the funding requirements for MEPPs. The sufficiency of the required contributions under these plans must be determined on the basis of a going concern valuation and a solvency valuation.

Specifically, an actuarial valuation report with a valuation date on or after September 1, 2007 must include a demonstration that the required contributions to the plan are not less than the

sum of the following amounts:

- The normal cost of the plan.
- The special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability or solvency deficiency.
- The special payments to be paid with respect to any going concern unfunded liability or solvency deficiency determined in the report. -08/07, reference updated 07/12.

**Q11: If an actuarial valuation report for a MEPP discloses a going concern unfunded liability or solvency deficiency, is there a requirement to establish a fixed-period schedule of special payments to liquidate either one of them?**

**A11:** Yes. A going concern unfunded liability or solvency deficiency must be liquidated by special payments over the period that is stipulated in section 5 of the Regulation. The filed report must set out the amount of the going concern unfunded liability or solvency deficiency, if any, and the schedule of special payments required to liquidate them. -08/07

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

## New Chair of the Commission and FST named

Effective August 9, 2007, Mr. Colin McNairn retired as Chair of the Commission and the [Financial Services Tribunal](#) (FST). Mr. McNairn served as Vice-Chair from July 1998 to August 2004 at which time he was appointed as Chair. John Solursh replaces Mr. McNairn as Chair of the Commission and the FST. Mr. Solursh has served as Vice-Chair since 2004.