Financial Services Regulatory Authority of Ontario

Ontario

Pensions

2025 Report on the Funding of Defined Benefit Pension Plans in Ontario

August 2026

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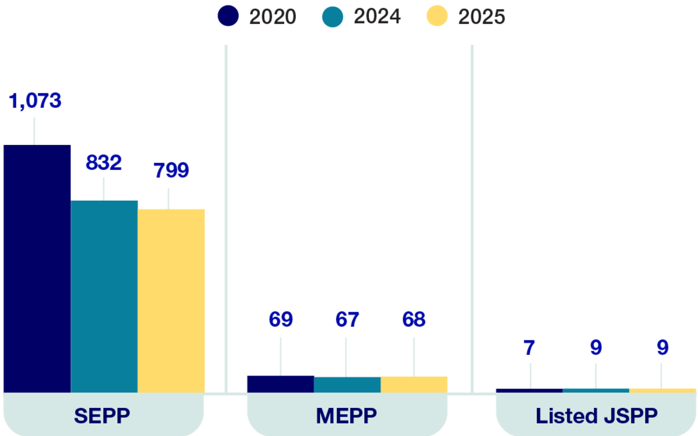
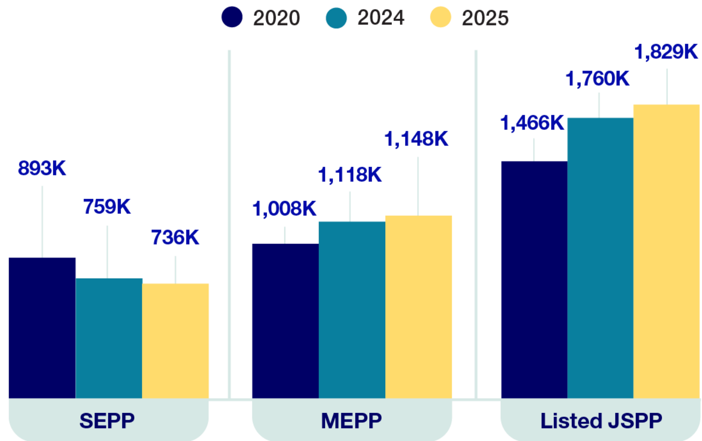
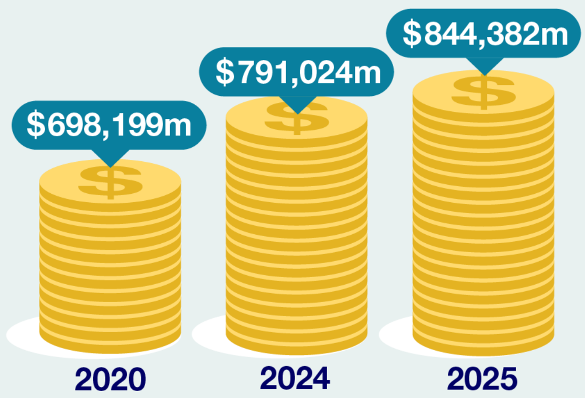
Number of pension plans



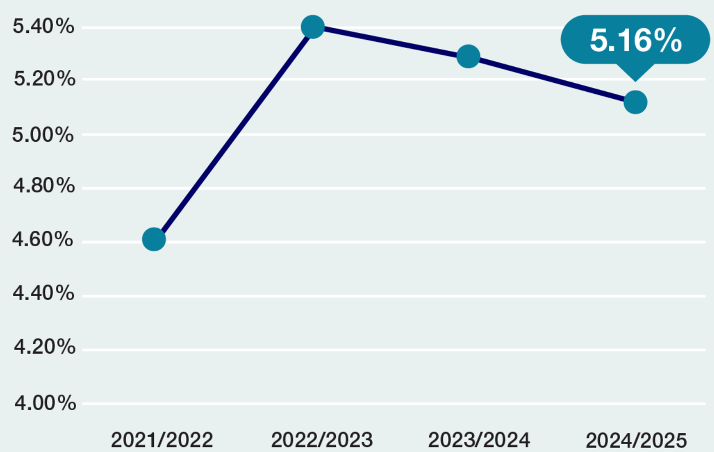
Number of members



Pension plan assets

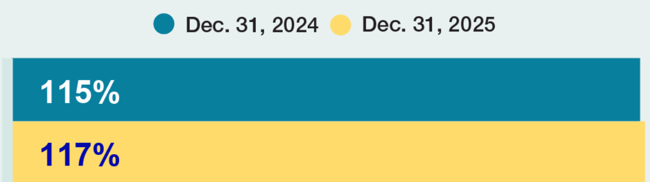


Going-concern interest rate trend

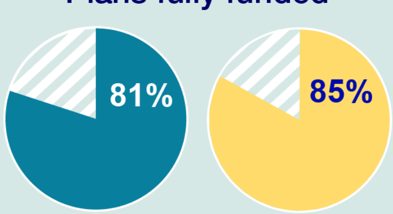


Going-concern funded status

Median going-concern funded ratio

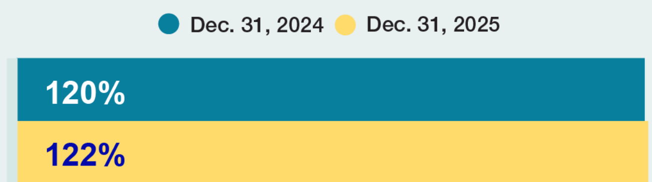


Plans fully funded

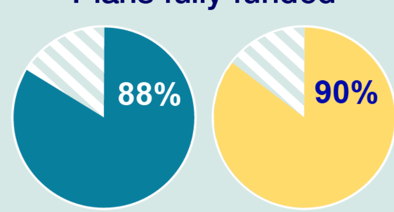


Solvency funded status

Median solvency funded ratio



Plans fully funded



1.0 Executive summary

The Financial Services Regulatory Authority of Ontario (FSRA) is a self-funded regulatory agency that regulates Ontario registered pension plans in accordance with the Pension Benefits Act (PBA) and Regulation 909 (Regulation) and other applicable regulations under the PBA, as amended from time to time. FSRA's statutory objects as outlined under the Financial Services Regulatory Authority of Ontario Act, 2016 (FSRA Act) include:

- To promote good administration of pension plans.
- To protect and safeguard the pension benefits and rights of pension plan beneficiaries.

FSRA analyzes and prepares an annual report to provide pension stakeholders with up-to-date funding, investment and actuarial information related to defined benefit (DB) pension plans in Ontario. The information in this year's report (2025 Report) is based on the latest filed valuation reports for DB pension plans that have valuation dates between July 1, 2022 and June 30, 2025, and fund financial statements for the fiscal year ending between July 1, 2024 and June 30, 2025. Information is presented on an aggregate basis with no disclosure of plan-specific information.

Note that a primary purpose of this report is to provide information that is factual and objective based on the filings received to help the pension industry benchmark key funding assumptions and risk measures to improve plan funding, understand going-concern and solvency funded ratios across plans registered in Ontario, and be aware of key investment statistics such as average target asset allocations and fund returns by plan type for the period covered by the report. Consequently, the impact of events a few months prior to or any events after the publication date of this report are generally not reflected in the analysis shown in this report. However, FSRA does monitor the estimated solvency funded position of pension plans on a quarterly basis which reflects plans' up-to-date experience – these can be viewed at Estimated Quarterly Solvency Funded Status.

1.1 Principles-based Regulation

FSRA is a principles-based regulator, focused on outcomes consistent with its statutory objects. FSRA's approach to principles-based regulation is set out in an Approach guidance – Principles-based Regulation.

The information contained in this report is used by FSRA, in conjunction with other available data and analysis, to conduct its supervisory activities in accordance with a prudential supervision framework. This information is being made available to all stakeholders to inform and aid them in monitoring plan performance, and maintaining good governance, administration, investment, funding and risk management practices.

The information and analysis presented herein are derived from key actuarial, financial and investment data collected through the Actuarial Information Summary (AIS) and the Investment Information Summary (IIS) filed with FSRA. They provide a reliable and comprehensive picture of the state of DB pension plans in Ontario and insights into existing practices and emerging trends. It can serve as a key source of information for the purposes of comparing and benchmarking the results of a pension plan against its peers.

Pension plan administrators and their advisors, in particular, may find the information helpful in conducting a regular review of the management and performance of their pension plan.

1.2 Current funding regime

The current funding regime came into effect on May 1, 2018 and ushered in significant changes from the prior regime. Key features of the funding framework include:

- An amortization period of 10 years for funding a going-concern unfunded liability.
- Consolidating going-concern special payments into a single schedule when a new report is filed.

- Requiring the funding of a prescribed Provision for Adverse Deviations (PfAD), within the plan.

- Requiring funding on a solvency basis only if needed to improve the plan's funded status to 85% on a solvency basis, with an amortization period of 5 years.

- Introducing funding rules for benefit improvements and restricting contribution holidays to improve benefit security.

Jointly sponsored pension plans that are listed in subsection 1.3.1(3) of the Regulation (Listed JSPPs) are exempted from solvency funding. In addition, Specified Ontario Multi-Employer Pension Plans (SOMEPPs) continue to be eligible for temporary funding relief previously granted and which was extended until the date on which the first report is filed for a valuation date after January 1, 2025. During this period, SOMEPPs are exempt from the requirement to fund on a solvency basis.

On January 1, 2025, amendments to the PBA and its regulations implemented the Ontario Government's target benefit framework ("TB Framework"), which will replace the temporary SOMEPP regulations over time. See Section 3.2 for details. Future reports will include information on target benefit plans once sufficient data is available from statutory filings.

Pension plans are only required to file valuation reports every three years unless their financial position falls below the prescribed threshold that would require an annual filing.

1.3 Key findings

The 2025 Report's key findings, summarized below, are based on actual information from actuarial valuation reports filed with FSRA with valuation dates between July 1, 2022 and June 30, 2025. Therefore, except as otherwise noted, the summary statistics drawn from the three-year period do not have a common valuation date. However, FSRA does provide the estimated median going-concern and solvency funded ratios of all plans measured as at December 31, 2025 in the key findings below.

In addition to the plans described above, there are approximately 200 pension plans registered outside of Ontario that have 50,000 Ontario beneficiaries – these plans do not file actuarial valuation reports with FSRA and are not included in the 2025 Report.

General funded status

3. The number of pension plans continues to trend lower, with a reduction of 33 Single Employer Pension Plans (SEPPs) compared to the 2024 Report on the Funding of Defined Benefit Pension Plans in Ontario (2024 Report), primarily as a result of windups and asset transfer transactions. There was an increase of one Multi-Employer Pension Plan (MEPP) due to a newly established plan. The distribution of the 876 pension plans analyzed based on their most recently filed valuation report are as follows:

Valuation date	July 1, 2022 – June 30, 2023	July 1, 2023 – June 30, 2024	July 1, 2024 – June 30, 2025	Total
Number of plans	249	233	394	876
Percentage of plans	28%	27%	45%	100%

4. Overall, compared to the 2024 Report, the funded position of the pension plans (as at their last filed valuation dates) has improved on both a going-concern basis and on a solvency basis:

	2025 Report	2024 Report
Going-concern basis		
Median funded ratio	114%	112%
Percentage of plans fully funded	87%	84%
Solvency basis		
Median funded ratio	117%	112%
Percentage of plans fully funded	87%	80%

5. In addition to looking at the last filed valuation date (on which funding requirements are based), FSRA also estimates the projected going-concern funded ratio of the plans at a common measurement date of December 31, 2025 (refer to Section 6). The estimated median going-concern funded ratio has improved to 117% as at December 31, 2025 from 115% as at December 31, 2024.

6. The key remaining temporary solvency funding relief measure is for SOMEPPs. Of the 68 MEPPs that contain a DB provision, 56 have elected to be treated as a SOMEPP. These SOMEPPs represent 97% of the total plan membership covered by the 68 MEPPs and are generally less well funded than non-SOMEPPs.

7. In the trend analysis, the average going-concern interest rate increased from 4.64% to 5.16% over the four-year period from July 1, 2021 to June 30, 2025, after peaking at 5.42% in the 2022/2023 period.

   For the 2024/2025 valuation period, only 7% of plans used an assumption below 4.0%, compared to 26% in 2021/2022. Conversely, 20% of plans used an assumption of 6.0% or higher, compared with 8% in 2021/2022.

8. For plans that are required by the regulations to use a PfAD, plan actuaries have largely eliminated the use of an explicit margin in setting the going-concern interest rate assumption. In fact, only about 4% of such plans maintained an explicit margin. By contrast, approximately 90% of plans, not subject to the PfAD requirement, continued to incorporate an explicit margin. While there are some commonalities between the inclusion of PfADs and the use of explicit margins, there are differences which result in situations where the use of a margin would be appropriate or desirable depending on the plan’s funding and investment policies. For example, the use of an explicit margin allows plans to build a reserve as good experience is realized, while providing flexibility to draw it down when experience is poor, thereby moderating fluctuations in funding levels and contributions.

9. There are 807 plans included in our analysis that are required by the regulations to use a PfAD. For the purpose of determining the PfAD, the number of plans identifying themselves as closed and open are 627 and 180, respectively. The median PfAD for all 807 plans is 8.1% (8.5% in the 2024 Report). See Section 3.1 for details.

10. Minimum required contributions for 2026, including employer normal cost contributions, member required contributions and special payments, are estimated to increase by about 8% from the 2025 level ($23.2 billion compared to the estimated $21.4 billion for 2025). This consists of increases of $0.7 billion in employer normal costs, $0.8 billion in member required contributions, and $0.3 billion in special payments.

Solvency funding

FSRA estimates the projected solvency ratio, for all the pension plans from the dates of their latest filed reports to a common measurement date of December 31, 2025 (refer to Section 6). The median projected solvency ratio is 122% as at December 31, 2025, compared to 120% as at December 31, 2024. Specifically:

- 90% of the plans had a projected solvency ratio greater than or equal to 100% (88% as at December 31, 2024).

- 8% of the plans had a projected solvency ratio between 85% and 100% (9% as at December 31, 2024).

- 2% of the plans had a projected solvency ratio below 85% (3% as at December 31, 2024).

The improvement in the projected solvency ratio is attributed to favorable investment returns on plan assets and changes in solvency valuation discount rates.

Fund investment

1. The overall asset allocation of SEPPs, MEPPs, and Listed JSPPs remained relatively stable compared to the 2024 Report. Further details are provided in Section 5.1.

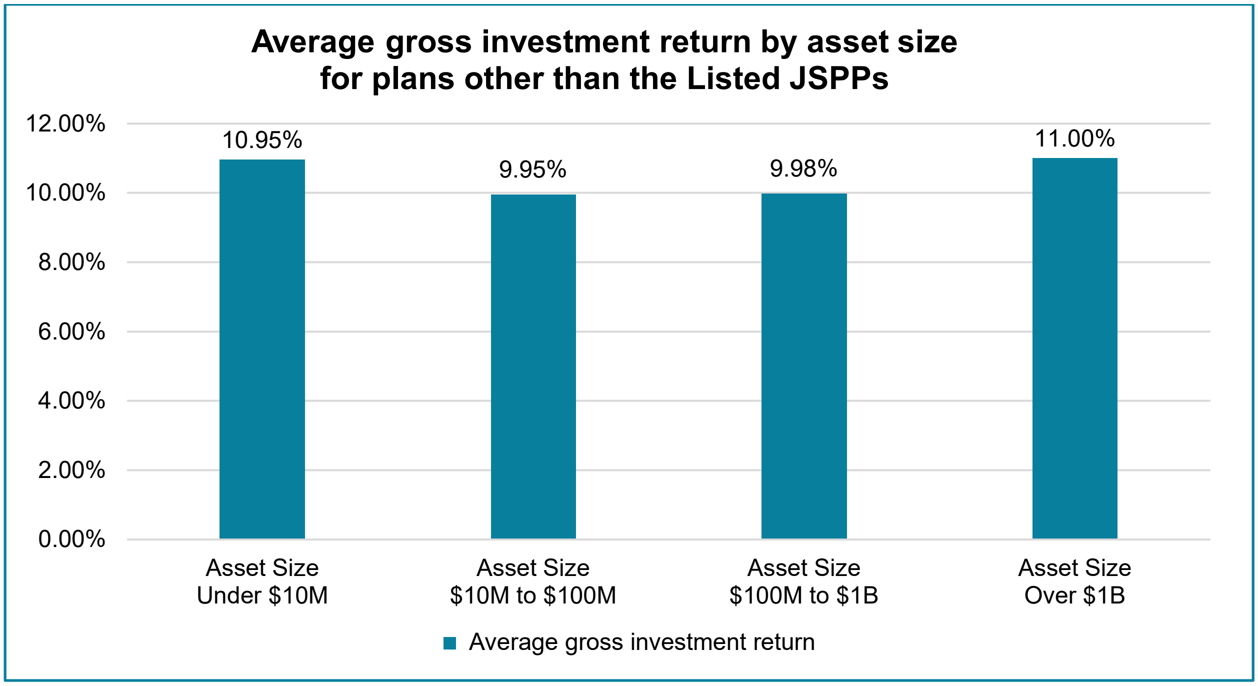
    - SEPPs have more allocation to fixed income assets (average of 45% for SEPPs and 29% for Listed JSPPs vs 27% for MEPPs).

    - MEPPs have substantially more allocation to public equities (average of 41% vs. 29% for SEPPs and 17% for Listed JSPPs).

    - Listed JSPPs have substantially higher allocations to alternative investments (average of 40% vs. 9% for SEPPs and 12% for MEPPs).

2. While larger plans are often presumed to outperform smaller plans over longer periods of time, due to having access to alternative asset classes, in-house investment teams, and sophisticated portfolio management tools, and economies of scale, the findings in our annual reports indicate this is not always the case, especially in the short term. Average gross investment returns over the data collection period did not show a pattern across plans of all sizes in the most recent fiscal year (excluding Listed JSPPs).

    Plan expenses, however, continued to show a clear pattern - smaller plans (under $10 million in assets) reported average total fees of 1.9%, compared to 0.5% for plans over $1 billion.



3. The average gross returns, average investment and administrative fees for different types of pension plans over the period from July 1, 2022 to June 30, 2025 are summarized below:

	SEPP	MEPP	Listed JSPP
Average gross return	10.04%	12.68%	11.72%
Average investment fees	0.35%	0.46%	0.61%
Average administrative fees	0.67%	0.52%	0.26%
Average total fees	1.02%	0.98%	0.87%

MEPPs reported the highest average gross return among the three plan categories at 12.68%, followed by Listed JSPPs at 11.72% and SEPPs at 10.04%. Table 5.1 in the report provides additional details, highlighting the distinct asset mixes among these plan categories. Throughout the reporting period covered by the IIS (calendar year 2024 for over 90% of the plans), the performance of different asset classes varied widely.

In 2024, equities, including both Canadian and foreign equities, generated strong double-digit returns and outperformed fixed income and many other asset classes. MEPPs had a higher allocation to equities than SEPPs, while SEPPs had a higher allocation to fixed income. These differences in asset mix contributed to the variation in average gross returns across plan categories.

2.0 Funding data

This section provides an analysis and summary of the funding data, including actuarial assumptions and methods, for DB pension plans with valuation dates between July 1, 2022 and June 30, 2025. The data was compiled from the AIS and actuarial valuation reports, that FSRA received, on or before the data cutoff date of December 31, 2025.

Generally, valuation reports must be filed once every three years on both a going-concern and solvency basis. However, solvency concerns revealed in an actuarial valuation report require annual filings until those concerns are eliminated. Early filings may be required when events such as plan mergers or sales of businesses occur and may also be done on a voluntary basis. Unless otherwise noted, the analysis in this 2025 Report is based on data from each plan's most recently filed actuarial valuation report to avoid double counting.[1]

For the purposes of this 2025 Report, the following plans are excluded in order to focus on the plans that are of most interest to stakeholders and to ensure that the results of our analysis are not skewed:

- Designated SEPPs.
- Individual pension plans.
- Plans that have been wound up or are in the process of winding up.

[1] The Trends analysis in Section 4 uses data from reports with valuation dates in the different periods and, therefore, may include more than one valuation report from any given pension plan.

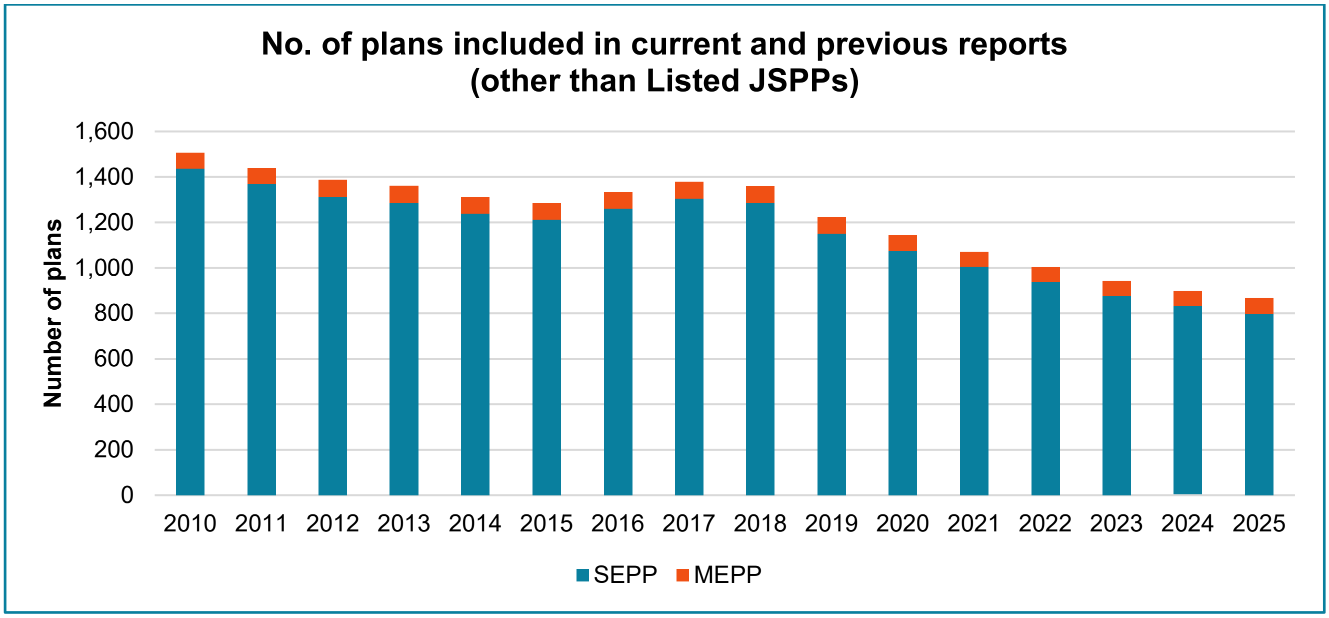
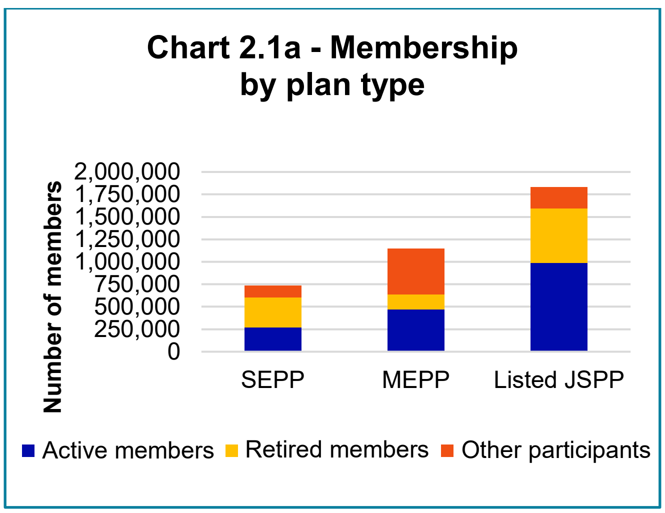


Chart 2.1a, 2.1b and Table 2.1 present the profile of the 876 pension plans that have been included in the funding data analysis in this 2025 Report. Additional details on these plans are included in Appendix A.



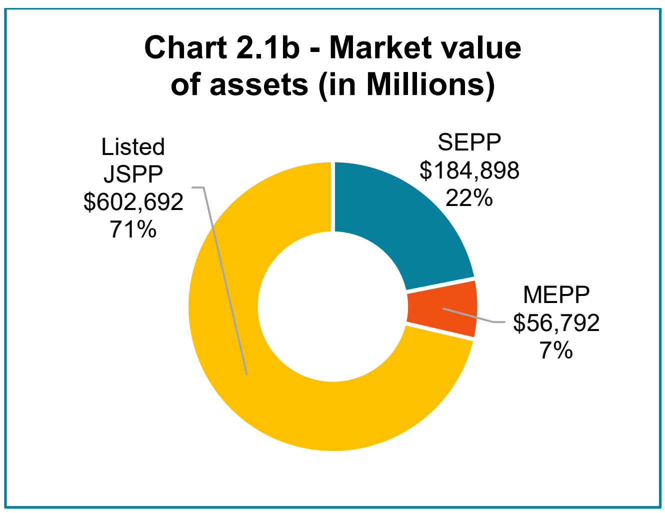


Table 2.1 – Summary of plans included

Plan type	No. of plans	Active members	Retired members	Other participants	Total membership	Market value of assets (in Millions)
SEPP – Open	173	166,883	124,696	47,299	338,878	$98,993
SEPP – Closed	626	105,484	211,513	79,877	396,874	$85,905
SEPP – Total	**799**	**272,367**	**336,209**	**127,176**	**735,752**	**$184,898**
MEPP	68	469,168	170,118	509,161	1,148,447	$56,792
Listed JSPP	9	987,239	604,086	237,674	1,828,999	$602,692
Total	**876**	**1,728,774**	**1,110,413**	**874,011**	**3,713,198**	**$844,382**
Average age		**49.0**	**71.7**	**51.3**		

Table 2.1 summarizes the membership and asset profile of the 876 defined benefit pension plans included in this report. These plans cover approximately 3.7 million members, with total assets of $844.4 billion. The number of plans continues to decline, primarily due to a reduction of 33 SEPPs resulting from windups and asset transfer transactions. There was partially offset by the addition of one new MEPP.

SEPPs account for 799 plans, representing 91% of plans analyzed. Although closed SEPPs outnumber open SEPPs, open SEPPs hold a larger share of SEPP assets, reflecting their generally larger plan size and membership.

MEPPs, comprising 68 plans, cover 1.1 million members and hold $56.8 billion in assets. The 9 Listed JSPPs represent the largest segment by membership and assets, accounting for approximately 1.8 million members and $602.7 billion in assets.

Compared to the 2024 Report, the SEPPs continued to experience a long-term decline in both the number of plans and membership. The number of SEPPs declined by 4.0% and total SEPP membership decreased by 3.0%. Despite these declines, SEPP assets increased by 0.9%.

In contrast, both MEPPs and Listed JSPPs experienced growth in membership and assets. Membership increased by 2.7% for MEPPs and 3.9% for Listed JSPPs, while assets increased by 11.6% and 8.2%, respectively.

2.1 Summary of funding data

Of the 876 plans that were analyzed, which together cover 3,713,198 plan members, 115 plans (13%) were less than fully funded on a going-concern basis. These 115 underfunded plans cover 867,609 (23%) of the total plan members.

On a solvency basis, 110 plans (13%) of the 876 plans were less than fully funded. These 110 plans cover 1,148,068 plan members (31%) of the total plan members.

Tables 2.2 and 2.3 show the distribution of underfunded plans by plan type and by membership.

Table 2.2 – Distribution of underfunded plans on a going-concern basis by plan type and membership

Plan type	By plan			By membership		
	Total number of plans	Number of underfunded plans	% of total plans	Total number of members	Number of members in underfunded plans	% of total membership
SEPP – Open	173	17	10%	338,878	115,140	34%
SEPP – Closed	626	92	15%	396,874	44,736	11%
SEPP – Total	**799**	**109**	**14%**	**735,752**	**159,876**	**22%**
MEPP	68	3	4%	1,148,447	42,093	4%
Listed JSPP	9	3	33%	1,828,999	665,640	36%
Total	**876**	**115**	**13%**	**3,713,198**	**867,609**	**23%**

Table 2.3 – Distribution of underfunded plans on a solvency basis by plan type and membership

Plan type	By plan			By membership		
	Total number of plans	Number of underfunded plans	% of total plans	Total number of members	Number of members in underfunded plans	% of total membership
SEPP – Open	173	14	8%	338,878	125,260	37%
SEPP – Closed	626	67	11%	396,874	42,344	11%
SEPP – Total	**799**	**81**	**10%**	**735,752**	**167,604**	**23%**
MEPP	68	28	41%	1,148,447	951,813	83%
Listed JSPP	9	1	11%	1,828,999	28,651	2%
Total	**876**	**110**	**13%**	**3,713,198**	**1,148,068**	**31%**

Table 2.4 provides summary information grouped by plan maturity (as measured by the proportion of solvency liabilities relating to pensioners versus the plan's total solvency liabilities).

Ontario pension plans (excluding Listed JSPPs) have experienced a notable demographic shift over the past decade. The proportion of plans with less than 25% of liabilities related to pensioners declined from 18% in 2015 to 11% in 2025, while the proportion of plans with more than 50% of liabilities related to pensioners rose significantly, from 37% to 60%. These trends reflect the increasing maturity of pension plans and the growing weight of pensioner obligations in the overall liability profile.

Plan demographics are an important factor to consider when developing risk management and investment policies and strategies, as mature plans may have different liquidity needs, risk tolerances and funding objectives than less mature plans.

Table 2.4 – Funding information grouped by maturity

Proportion of solvency liabilities relating to pensioners	Total number of plans	Total number of members	Solvency assets (in Millions)	Solvency liabilities (in Millions)	Solvency ratio	Ratio of active members to pensioners
Less than 25%	98	105,044	9,848	8,674	114%	8.5 : 1
25% ≤ ratio < 50%	246	1,159,403	75,746	77,549	98%	2.5 : 1
50% ≤ ratio < 75%	342	484,802	125,215	111,919	112%	0.8 : 1
75% and over	181	134,950	30,246	26,397	115%	0.2 : 1
Total (SEPP & MEPP)	**867**	**1,884,199**	**241,055**	**224,539**	**107%**	**1.5 : 1**
Listed JSPP	9	1,828,999	602,036	435,357	138%	1.6 : 1
Grand total	**876**	**3,713,198**	**843,091**	**659,896**	**128%**	**1.6 : 1**

Tables 2.5 and 2.6 provide a more detailed breakdown of the going-concern and solvency funded ratios with respect to different types of DB pension plans. For all plans, the median funded ratio was 114% on a going-concern basis and 117% on a solvency basis. For the 68 MEPPs, 7 of them (all SOMEPPs) had a solvency ratio of less than 85%.

Table 2.5 – Going-Concern Funded Ratio (GCR)

Ratio (GCR)	SEPP – Open	SEPP – Closed	SEPP – Total	MEPP	Listed JSPP	All plans
GCR < 0.60	0	2	2	0	0	2
0.60 ≤ GCR < 0.80	0	14	14	0	0	14
0.80 ≤ GCR < 0.90	4	19	23	0	0	23
0.90 ≤ GCR < 1.00	13	57	70	3	3	76
1.00 ≤ GCR < 1.20	85	300	385	43	5	433
1.20 ≤ GCR	71	234	305	22	1	328
Total	**173**	**626**	**799**	**68**	**9**	**876**
Median ratio	**1.16**	**1.13**	**1.15**	**1.14**	**1.04**	**1.14**

Table 2.6 – Solvency Funded Ratio (SR)

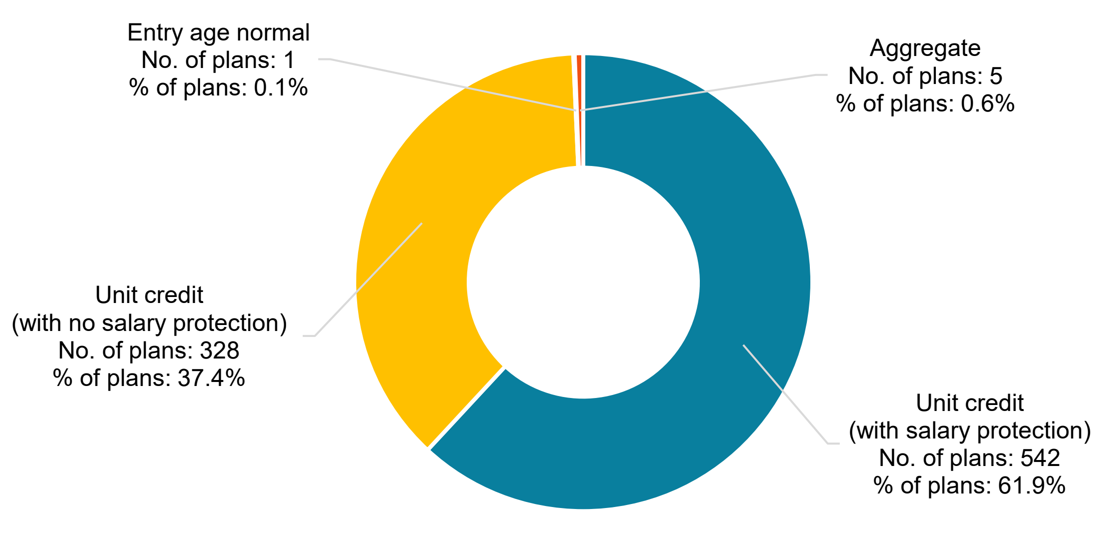
Ratio (SR)	SEPP – Open	SEPP – Closed	SEPP – Total	MEPP	Listed JSPP	All plans
SR < 0.60	0	3	3	0	0	3
0.60 ≤ SR < 0.80	1	5	6	2	0	8
0.80 ≤ SR < 0.85	0	2	2	5	0	7
0.85 ≤ SR < 0.90	1	9	10	9	0	19
0.90 ≤ SR < 1.00	12	48	60	12	1	73
1.00 ≤ SR < 1.20	78	294	372	31	4	407
1.20 ≤ SR	81	265	346	9	4	359
Total	**173**	**626**	**799**	**68**	**9**	**876**
Median ratio	**1.19**	**1.17**	**1.18**	**1.04**	**1.19**	**1.17**

2.2 Summary of actuarial assumptions and methods

The key actuarial assumptions and methods used in going-concern valuations are outlined below:

1. Almost all plans used the unit credit cost method to calculate going-concern liabilities.

Chart 2.7 - Liability valuation method



2. Most plans used a market or market-related value of assets. However, although only 22% of plans used a smoothed market value method, they account for 90% of the total going-concern assets. Notably, all the Listed JSPPs used smoothed assets, and they account for 73% of the total going-concern assets.

Table 2.8 – Asset valuation method

Asset valuation method	No. of plans	% of plans	% of total going-concern assets
Market	687	78.4%	10.0%
Smoothed market	189	21.6%	90.0%
Total	**876**	**100.0%**	**100.0%**

3. For going-concern valuations, almost all plans used mortality rates based on the Canadian Pensioners' Mortality tables (CPM-RPP2014) and improvement scales - published in the Final Report, Canadian Pensioners' Mortality, on February 13, 2014 by the Canadian Institute of Actuaries (2014 CIA CPM Study). The 2014 CIA CPM Study includes three sets of mortality tables as well as two sets of improvement scales. The three mortality tables are:

- 2014 Mortality Table (CPM2014) – developed from the combined experience exhibited under the public and private sector plans.
- 2014 Public Sector Mortality Table (CPM2014Publ) – based on the separate experience exhibited under the public sector plans.
- 2014 Private Sector Mortality Table (CPM2014Priv) – based on the separate experience exhibited under the private sector plans.

While 97% of plans used the CPM-RPP2014 tables, they account for only 35% of the total going-concern liabilities.

Table 2.9 – Mortality assumption

Mortality base table	No. of plans	% of plans	% of total going-concern liabilities	Adjustment		
				No. of plans		Median adjustment
				Male mortality	Female mortality	
CPM 2014 Combined	109	12.4%	6.1%	28	27	98%M, 105%F
CPM 2014 Public	83	9.5%	8.8%	41	45	95%
CPM 2014 Private	662	75.6%	19.7%	271	255	105%
Other (including Plan Specific)	22	2.5%	65.4%	0	0	n/a
Total	**876**	**100.0%**	**100.0%**			

57% of the plans which used the 2014 Public Sector Mortality Table made mortality adjustments, compared to 26% for 2014 Combined Mortality Table and 42% for Private Sector Mortality Table.

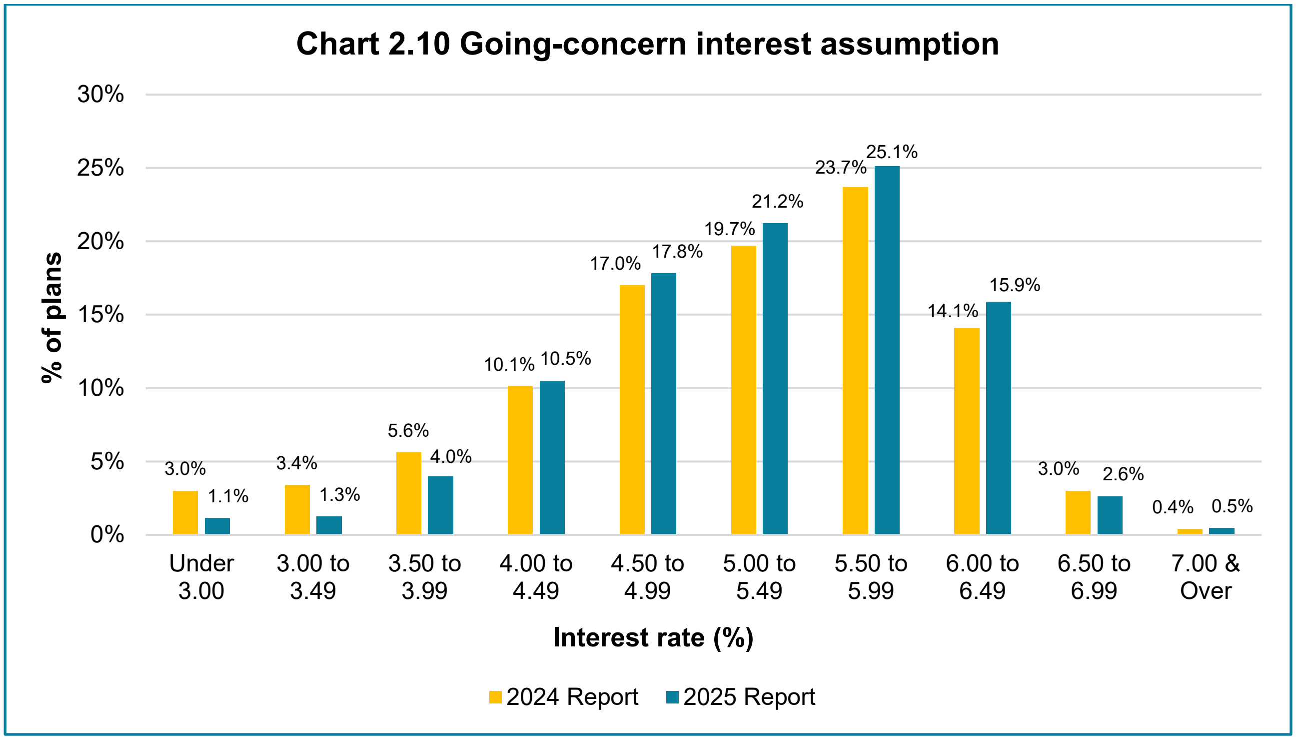
The Canadian Institute of Actuaries (CIA) released a Mortality Improvements Research Report on April 11, 2024, providing updated analysis of historical mortality data and projecting future trends in Canada.

On March 11, 2026, the CIA released the report on the 2024 Canadian Pensioner Mortality (CPM2024) Research Project, representing the first major update to the Canadian Pension Mortality tables since CPM2014. The research introduces an updated set of mortality tables that reflect the mortality experience of Canadian pensioners and surviving spouses up to January 1, 2024.

This was followed by the CIA's Educational Note: Selection of Mortality Assumptions for Pension Plan Actuarial Valuations issued in April 2026, which provides guidance to actuaries on the selection of best-estimate mortality assumptions for pension plan actuarial valuations.

As of the posting date of this Report, the Actuarial Standards Board was reviewing the research and will determine at a future date whether the new tables should be adopted as the standard for determining commuted values. FSRA will continue to monitor developments in actuarial standards and industry adoption of the new mortality assumption.

4. Chart 2.10 shows the distribution of going-concern interest rate assumptions used in the most recently filed valuation reports.

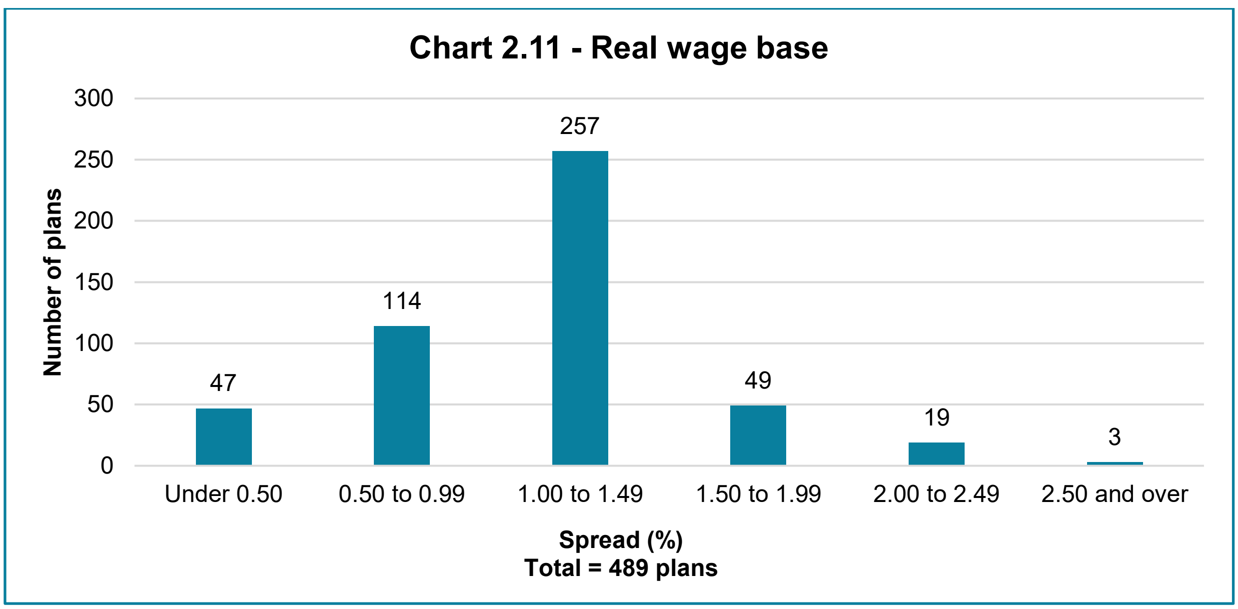


The majority of plans (75%) used a going-concern interest rate assumption between 4.00% and 6.00%. In comparison, 19% of plans used an assumption of 6.00% or higher, while 6% used an assumption below 4.00%.

The 2018 funding regime introduced the requirement for certain plans to hold a Provision for Adverse Deviations (PfAD). Our analysis indicates that the use of a PfAD was almost always accompanied by the elimination of a margin previously included in the going-concern interest rate. Of the plans that were required by the regulations to use a PfAD, about 4% maintained an explicit margin in developing their going-concern interest rate assumption. By contrast, about 90% of the pension plans which were not required to have a PfAD, used an explicit margin in their going-concern interest rate assumption. FSRA will continue to monitor these developments to detect emerging trends in order to understand their implications on benefit security and pension risk management.

5. The excess of the salary increase assumption over the inflation assumption used in going-concern valuations can be viewed as a measure of real wage growth (including merit and promotional increases). It is generally expected to remain relatively stable over time as both underlying assumptions are intended to reflect long-term economic expectations.

Chart 2.11 includes only the plans that disclosed both a salary increase assumption and an inflation assumption in their going-concern valuations. 53% of plans assumed a real wage increase within the 1.00% to 1.49% range.



6. Table 2.12 shows the provision for windup expenses used in solvency valuations, grouped by plan membership size, including active members, former members and other plan beneficiaries. The expense allowance is also expressed as average dollar amounts per plan and per plan member.

Table 2.12 – Provision for windup expenses

Plan membership	No. of plans	Total membership	Windup expenses		
			Total windup expenses	Average per plan	Average per member
< 100	298	12,908	$30,105,835	$101,026	$2,332
100 – 499	307	73,062	$64,520,000	$210,163	$883
500 – 999	89	67,475	$36,060,000	$405,169	$534
1,000 – 4,999	114	250,757	$96,218,500	$844,022	$384
5,000 – 9,999	30	211,368	$47,800,000	$1,593,333	$226
10,000 – 49,999	29	573,123	$211,230,000	$7,283,793	$369
50,000+	9	2,524,505	$1,042,000,000	$115,777,778	$413
All plans	**876**	**3,713,198**	**$1,527,934,335**	**$1,744,217**	**$411**

The average expense allowance per member generally decreases as plan membership size increases. Smaller plans with fewer than 100 members bear disproportionately higher windup costs per member, likely due to limited scale to absorb fixed administrative and professional fees. While larger plans typically benefit from economies of scale, however the relationship is not strictly linear across all size categories. For example, the average per member expense rises again for plans with 10,000 or more members. Greater caution should be exercised when interpreting the results of these plans as there are only a small number of plans in these last two categories (i.e., more than 10,000 members). For the nine Listed JSPPs reviewed, the average windup expense allowance was approximately $498,000 per 1,000 members and $1.6 million per $1 billion of assets.

Provision for windup expenses continued to increase on a per-plan basis, with the overall average 6.0% higher than in the 2024 Report, while the average expense per member remained largely unchanged. The most significant increase was observed among plans with fewer than 100 members, where windup expenses per plan and per member were 12% and 14% higher, respectively.

3.0 Funding regime for DB plans

The current funding framework for most DB pension plans came into force on May 1, 2018 and applies to actuarial valuations with a valuation date on or after December 31, 2017. These funding rules do not apply to Listed JSPPs. They also do not apply to SOMEPPs but do apply to MEPPs providing DB pensions that are not SOMEPPs.

3.1 Funding framework

The current framework made substantial changes to the previous rules with respect to both the going-concern and solvency funding requirements.

Going-concern funding

Pension plans are required to establish and fund a Provision for Adverse Deviations (PfAD) on a going-concern basis.

Going-concern unfunded liabilities are amortized over a period, not exceeding 10 years, with special payments commencing up to one year after the valuation date. These going-concern special payments (except for those related to benefit improvements and benefit credits prior to the effective date of the plans) are consolidated at each valuation date into a single payment schedule.

The PfAD is calculated as a percentage that is applied to the going-concern liabilities as well as the normal costs. However, liabilities and normal costs relating to escalated adjustments may be excluded for this purpose. The PfAD is established as the sum of three components:

1. **Open/closed plan component**

   The first component depends on whether the plan meets the definition of a closed plan. According to subsection 11.2(1) of the Regulation, a “closed plan” is defined as “a pension plan,

   a. That has no members who are entitled to defined benefits, or

   b. In which at least 25 per cent of the members of the plan who are entitled to defined benefits are in a class or classes of employees from which new members are not permitted, according to the terms of the plan, to join the plan and accrue defined benefits”.

   A fixed component of 5.0% is applicable for closed plans and 4.0% is applicable for plans that are not closed plans.

2. **Asset mix component**

   The second component depends on the plan’s target asset allocation to fixed income assets (subject to a prescribed minimum credit rating), and to non-fixed income assets. The asset mix component of the PfAD ranges between 0% and 23% for closed plans and between 0% and 12% for plans that are not closed plans.

3. **Benchmark Discount Rate (BDR) component**

   The third component is a function of the plan’s gross going-concern interest rate in relation to the Benchmark Discount Rate (BDR) prescribed in the Regulation. Our analysis indicates only 1.4% of total plans had a non-zero BDR component, comprising 1.7% of open plans and 1.3% of closed plans.

Table 3.0 – BDR components

Type	No. of plans	Average by which gross GC rate exceeds the BDR	Average BDR component
Open	3	0.43%	5.79%
Closed	8	0.11%	1.15%
Total	**11**	**0.20%**	**2.42%**

The average BDR component for open plans is higher than for closed plans because open plans tend to use more aggressive gross going-concern discount rate assumption (relative to the BDR). Additionally, open plans generally have a longer liability duration which also contributes to the higher BDR component.

Solvency funding / reduced solvency deficiency

No solvency funding is required for plans that are at least 85% funded on a solvency basis. Solvency deficiencies below the 85% threshold, defined in the Regulation as a “Reduced Solvency Deficiency” must be amortized over a period not exceeding 5 years with solvency special payments commencing no later than one year after the valuation date.

The reduced solvency deficiency, as defined in section 1.3.2 of the Regulation, is the amount by which “A” exceeds “B” where,

“A” is the sum of,

- **a.** 85 per cent of the pension plan’s solvency liabilities.
- **b.** 85 per cent of the pension plan’s solvency liability adjustment.
- **c.** The pension plan’s prior year credit balance as of the valuation date.

“B” is the sum of the pension plan’s solvency assets and the solvency asset adjustment as of the valuation date.

Available actuarial surplus

Under the funding regime, a plan sponsor cannot take a contribution holiday unless a cost certificate certifying that the plan has available actuarial surplus is filed with FSRA within 90 days of the beginning of the plan fiscal year. Available actuarial surplus (for a plan for which special payments are not required or deferred), as defined in section 7.0.2 of the Regulation, is the lesser of the following:

a. The amount by which the value of the assets of the pension plan, determined on a going-concern basis, including accrued and receivable income but excluding the amount of any letter of credit held in trust for the pension plan, exceeds the sum of going-concern liabilities, the amount equal to the provision for adverse deviations in respect of going- concern liabilities and the prior year credit balance; and

b. Whichever of the following amounts applies to the plan:

- In the case of a plan that is a public sector pension plan, the amount that, if it were deducted from the solvency assets of the pension plan, would reduce the solvency ratio to 1.05.
- In the case of any other plan, the amount that, if it were deducted from the solvency assets of the pension plan, would reduce the transfer ratio to 1.05.

The proportion of plans with available actuarial surplus has increased markedly in recent years. Approximately 65% of plans included in this Report have available actuarial surplus, compared to 24% in the 2021 Report. This increase reflects the significant improvement in plan funded positions over the period, supported by favourable investment returns and, more recently, a higher interest rate environment.

Provision for Adverse Deviations (PfAD)

Of the pension plans included in the 2025 Report, 807 of the plans are required to have a PfAD. Table 3.1 presents a profile of these pension plans and Table 3.2 summarizes the PfAD components.

Table 3.1 – Plans required to have a PfAD

Type	No. of plans	Active members	Retired members	Other participants	Total membership	Market value of assets (in Millions)	Going-concern liabilities (in Millions)	Average GC ratio
Open	180	174,560	135,112	55,936	365,608	101,802	98,896	116.5%
Closed	627	104,428	183,953	79,743	368,124	77,919	67,657	112.7%
Total	**807**	**278,988**	**319,065**	**135,679**	**733,732**	**179,721**	**166,553**	**114.4%**

Compared to the 2024 Report, the total number of open and closed plan decreased from 838 to 807. This decline was primarily due to a reduction in closed plans. Despite only 22% of plans are open, they account for 57% of total plan assets and 50% of total membership. In general, open plans exhibit larger asset sizes and membership sizes compared to closed plans.

Table 3.2 – PfAD components

Type	No. of plans	Asset mix component		BDR component			Median PfAD
		Median fixed income %	Median asset mix PfAD	Median BDR	Median gross GC rate	No. plans BDR > GC rate	
Open	180	40.0%	4.0%	7.3%	6.0%	177	8.0%
Closed	627	65.0%	3.5%	6.5%	5.5%	619	8.5%
Total	**807**	**57.5%**	**3.9%**	**6.8%**	**5.7%**	**796**	**8.1%**

Open plans have a lower median PfAD of 8.0% compared to 8.5% for closed plans.

The median PfAD for all plans has decreased from 8.5% in the 2024 Report to 8.1% in this Report. This decline was primarily driven by closed plans, which increased their allocation to fixed income assets by approximately 5% on average. This reduced the Asset Mix Component and, in turn, a lower PfAD.

In addition, as shown in Table 3.0, the proportion of plans with a BDR component (i.e., plans using a gross going-concern discount rate that exceeds the BDR) has decreased from 2.6% in the 2024 Report to only 1.4% in this Report. This is likely due in part to an increase in V39056, the long-term Canada government benchmark bond yield, which increased from 3.02% at year-end 2023 to 3.33% at year-end 2024, therefore a higher BDR. As a result, fewer plans, particularly those with more recent valuations, trigger a non-zero BDR component, further contributing to the decline in median PfAD.

3.2 Specified Ontario Multi-Employer Pension Plans (SOMEPPs)

In August 2007, a temporary funding framework applicable to SOMEPPs was implemented. A MEPP that meets the definition and satisfies the eligibility criteria described in the Regulation is eligible to elect SOMEPP status. Any MEPP that does not meet the prescribed definition and eligibility criteria for SOMEPP status or chose not to elect that status is required to continue to fund on a solvency basis. SOMEPPs are temporarily exempt from solvency funding; Contributions to these plans during the period covered by the valuation report must not be less than the sum of:

- The normal cost.
- The remaining special payments for any previously established going-concern unfunded liability.
- The special payments for any new going-concern unfunded liability determined in the valuation report.

Any new going-concern unfunded liability must be liquidated over a period of 12 years. Furthermore, there are accelerated funding requirements for benefit improvements, requiring any increase in the going-concern unfunded liability resulting from the improvements to be liquidated over a period of eight (8) years under prescribed conditions. There is no requirement to fund on a solvency basis during the period of temporary solvency funding relief, although solvency valuations are still required to be performed and their results must be set out in the valuation report.[2]

The temporary exemption for solvency funding has since been extended four times in 2009, 2012, 2018 and 2023. The most recent extension came into force on January 1, 2024 and will continue until the date on which the first report is filed for a valuation date after January 1, 2025.

On January 1, 2025, amendments to the PBA and its regulations implemented the Ontario Government's target benefit framework ("TB Framework"), which will replace the temporary SOMEPP regulations. MEPPs that meet the eligibility requirements under the PBA and its regulations may apply to the CEO of FSRA to convert all of the defined benefits provided under the MEPP into target benefits. Newly created MEPPs providing target benefits from inception can also be established under the TB Framework, provided they meet the eligibility requirements. In addition, every TB MEPP must have, and file with FSRA, a funding and benefits policy, a governance policy and a communications policy.

FSRA released its final guidance in February 2026, which sets out FSRA's approach to processes and practices for certain assessments, engagements and approvals under the TB Framework, including consent to target benefit conversions, assessment of the provision for adverse deviation ("PfAD") for MEPPs providing target benefits, and supervisory engagements with TB MEPPs. Further details are available in Supervisory Approach Guidance to Implementation of the Target Benefit MEPP Framework.

[2] More funding information on SOMEPPs is available at: https://www.fsrao.ca/industry/pensions/multi-employer-pension-plans/funding-rules-specified-ontario-multi-employer-pension-plans-extended

There are no TB MEPPs in the data analyzed for this Report, which is based on the latest filed valuation reports with valuation dates up to June 30, 2025. As of the posting date of this Report, FSRA has received 15 applications for target benefit conversions. FSRA will continue to monitor developments as TB MEPPs become registered with FSRA and consider incorporating relevant observations in future reports once sufficient data is available from statutory filings.

The following tables provide selected statistics on the MEPPs that contain a DB provision. Of these 68 MEPPs, 56 of them (covering 97% of the total DB MEPP membership) have elected to become SOMEPPs.

Table 3.3 – Membership information

	No. of plans	Active members		Retired members		Other participants		Total membership	
		Total	*Median*	Total	*Median*	Total	*Median*	Total	*Median*
SOMEPPs	56	460,604	*1,593*	158,757	*798*	490,818	*1,135*	1,110,179	*3,538*
Non-SOMEPPs	12	8,564	*201*	11,361	*87*	18,343	*83*	38,268	*555*
Total (All DB MEPPs)	**68**	**469,168**	***1,195***	**170,118**	***730***	**509,161**	***1,068***	**1,148,447**	***3,218***

Table 3.4 – Funding information

	Market value of assets (in Millions)		Solvency assets‡ (in Millions)		Solvency liabilities (in Millions)		Solvency ratio	
	Total	*Median*	Total	*Median*	Total	*Median*	Average[3]	*Median*
SOMEPPs	$53,412	*$337*	$53,222	*$337*	$59,014	*$325*	100.5%	*100.3%*
Non-SOMEPPs	$3,380	*$56*	$3,372	*$55*	$2,865	*$56*	124.7%	*116.6%*
Total (All DB MEPPs)	**$56,792**	***$271***	**$56,594**	***$269***	**$61,879**	***$274***	**104.8%**	***103.6%***

‡ *Market value of assets less provision for windup expenses.*

[3] Average solvency ratios represent the arithmetic (equally weighted) average of individual plan solvency ratios for plans within each plan type shown. Prior reports presented this measure on an aggregate basis, calculated as the ratio of total solvency assets to total solvency liabilities for all plans within the applicable plan type.

The plans that qualify as SOMEPPs tend to be significantly larger than non-SOMEPPs, when measured by the size of their assets, liabilities or plan membership. For example, the median solvency liability for SOMEPPs is about 5.8 times that of the non-SOMEPPs.

In terms of funding levels, SOMEPPs are considerably less well funded than non-SOMEPPs. The median solvency ratio for SOMEPPs is 100%, compared to 117% for non-SOMEPPs. Overall, compared to the 2024 Report, the funding levels for MEPPs have improved.

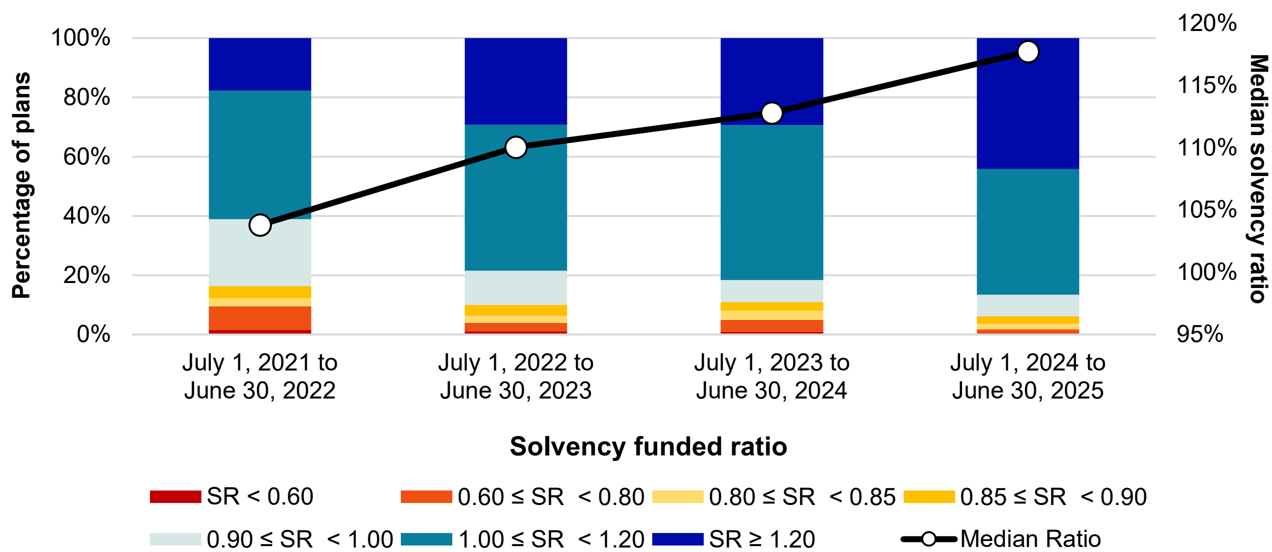
4.0 Trends analysis

The following trends analysis incorporates data from all filed reports with valuation dates between July 1, 2021 and June 30, 2025 and, therefore, may include more than one valuation report from any given pension plan.

4.1 Solvency funded status

Chart 4.1 (additional details available in Appendix B) shows a breakdown of plans by solvency ratios for the past four annual valuation periods beginning on July 1 from 2021 to 2024. The majority of plans have a valuation date of either December 31 or January 1.

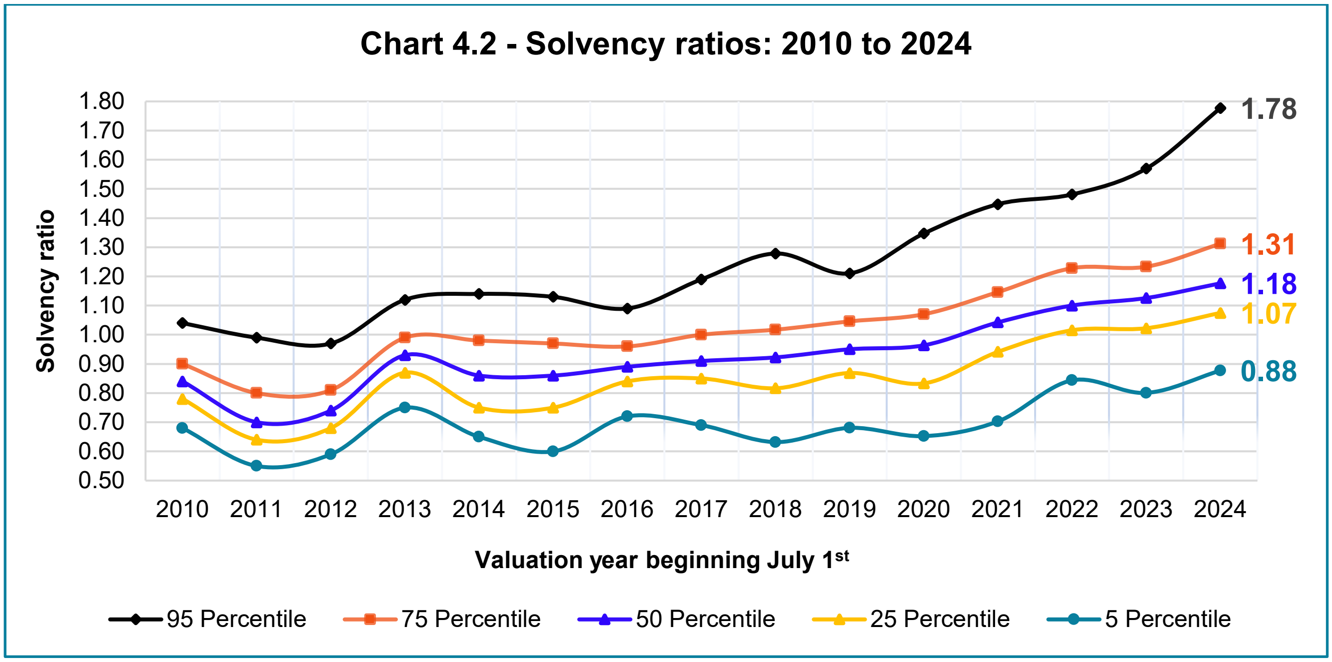
Chart 4.1 – Breakdown of plans (other than Listed JSPPs) by solvency ratios



The solvency funded position of Ontario pension plans (other than Listed JSPPs) continued to improve over the past four annual valuation periods. The median solvency ratio increased steadily from 104% in the 2021/2022 valuation period to 118% in the 2024/2025 valuation period. This trend reflects the combined impact of higher solvency discount rates, favourable investment performance and, for some plans, the implementation of de-risking strategies.

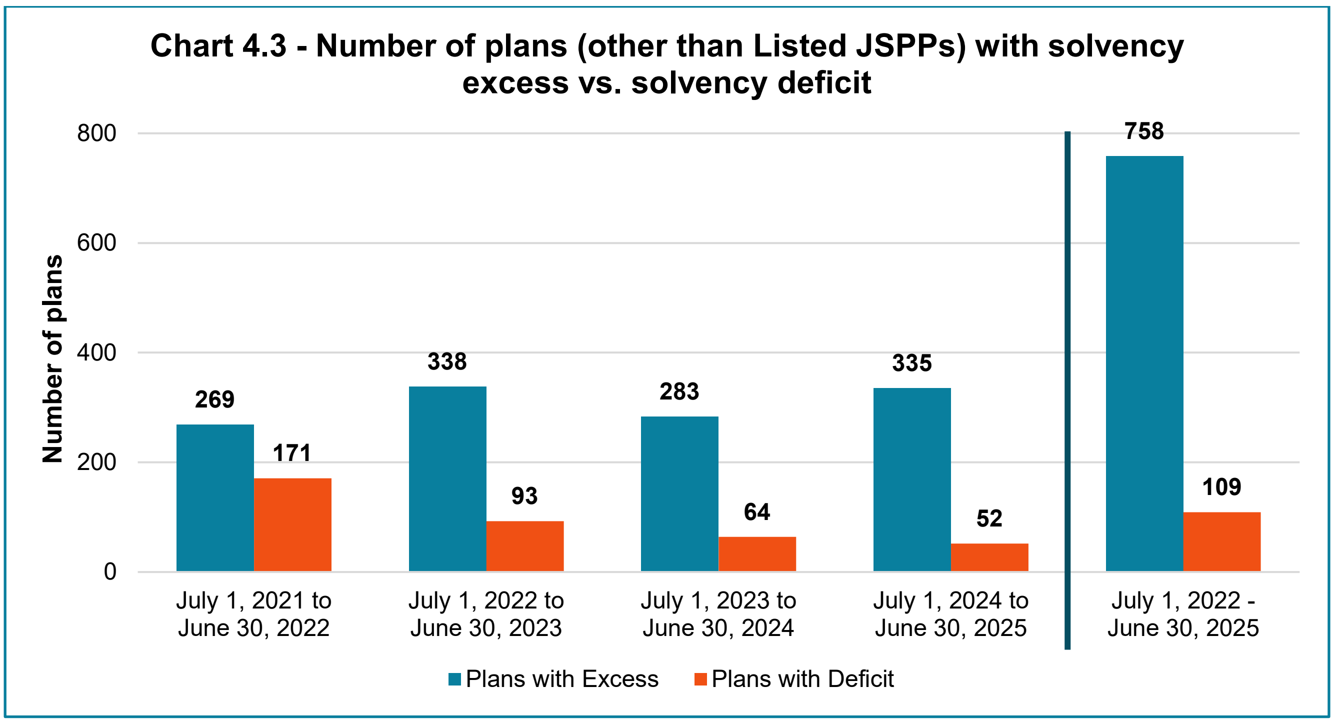
The proportion of underfunded plans (with solvency ratios below 100%) declined significantly from 38.9% to 13.4%, reflecting a broad-based improvement in plan funding levels. At the same time, a growing number of plans reported substantial solvency surpluses. The proportion of plans with solvency ratios of at least 120% increased from 17.7% to 44.2%, more than doubling over the period.

Chart 4.2 shows the distribution of solvency ratios at different percentiles from 2010 to 2024.



Following the 2008 financial crisis, the solvency ratios dropped substantially across pension plans, reflecting widespread economic challenges and financial market turmoil. There was significant volatility in solvency ratios until around the 2015 valuation period. Since then, the median solvency ratio has steadily improved, although there continues to be volatility in the distribution of these ratios above and below the median. 2020 and 2021 presented new challenges, particularly with the onset of the COVID-19 pandemic and its economic repercussions. Despite these challenges, pension plans remained resilient. The median solvency ratio sharply improved, surpassing 100% in the 2021 valuation period and increasing further to 118% in the 2024 valuation period – a record high for the period shown.

Charts 4.3 and 4.4 compare plans with a solvency excess to those with a solvency deficit for each of the four valuation periods from 2021/2022 to 2024/2025, as well as for the three-year valuation period from July 1, 2022 to June 30, 2025[4], excluding Listed JSPPs. Chart 4.3 compares the number of plans and Chart 4.4 compares the amount of solvency excess or deficit.

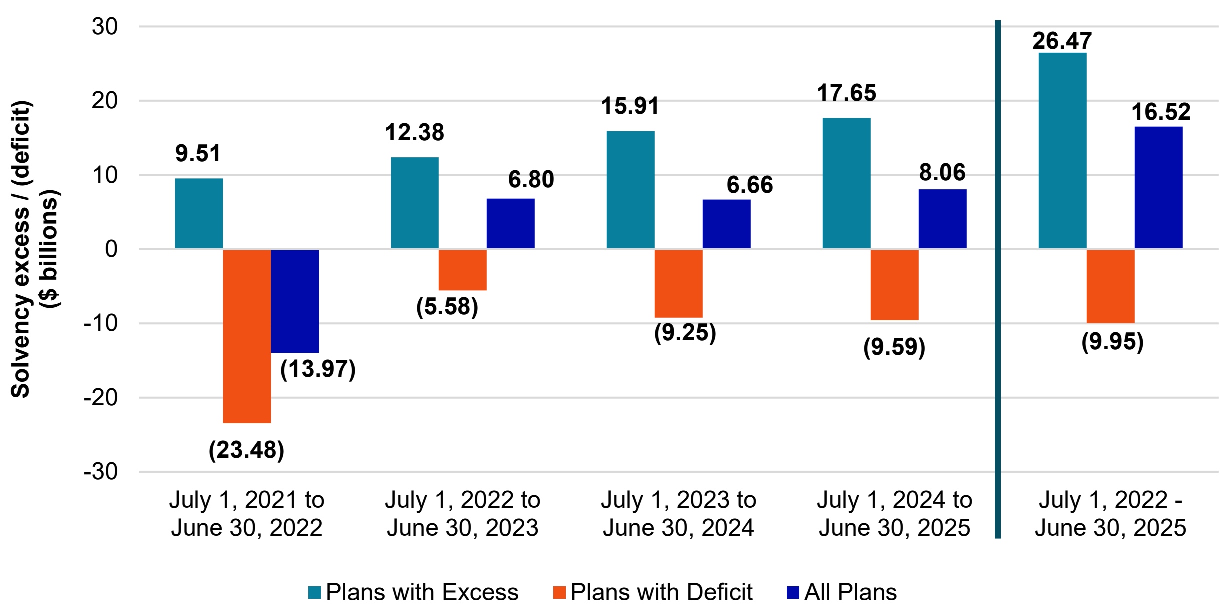


[4] Individual valuation periods include those plans that filed a report with a valuation date that fell during that individual period. The July 1, 2022 - June 30, 2025 period includes only the last funding valuation report filed. The total number of plans included in each of the valuation periods is, therefore, higher than the number of plans included in the combined period.

The number of plans in a solvency excess position have outnumbered those in a solvency deficit position for all valuation periods. Among the plans that filed an actuarial valuation, the proportion of plans with a solvency deficit was 39% in 2021/2022 dropping down to 13% in 2024/2025.

This steady decline highlights the ongoing improvement in the solvency position of pension plans, consistent with the upward trend in median solvency ratios over the same period.

Chart 4.4 - Amount of solvency excess / (deficit)



On a dollar amount basis, the latest filed reports during the July 1, 2022 to June 30, 2025 valuation period revealed a net solvency excess of $16.5 billion (after allowance for expenses) on solvency liabilities of $224.5 billion. However, pension plans are separate entities, and assets in one plan cannot be used by another plan. Therefore, looking only at the 109 plans with deficits, the total level of under-funding on a solvency basis is $10.0 billion on solvency liabilities of $90.9 billion.

Ontario's legislation allows certain benefits (e.g., post-retirement indexation, consent benefits, excluded plant closure and excluded permanent layoff benefits) to be excluded in the determination of solvency liabilities. There were 210 plans that excluded one or more of these benefits, resulting in a reduction of liabilities totaling $34.8 billion.

Considering only the 179 plans (excluding Listed JSPPs) that have a windup deficit, the total windup funding shortfall is $33.4 billion. This measures the funding shortfall of all the plans (excluding Listed JSPPs) with a windup deficit if they were to have wound up at their last valuation dates. Of course, this only depicts a hypothetical scenario as pension plans would not all wind up simultaneously.

4.2 Actuarial assumptions

Going-concern interest rate

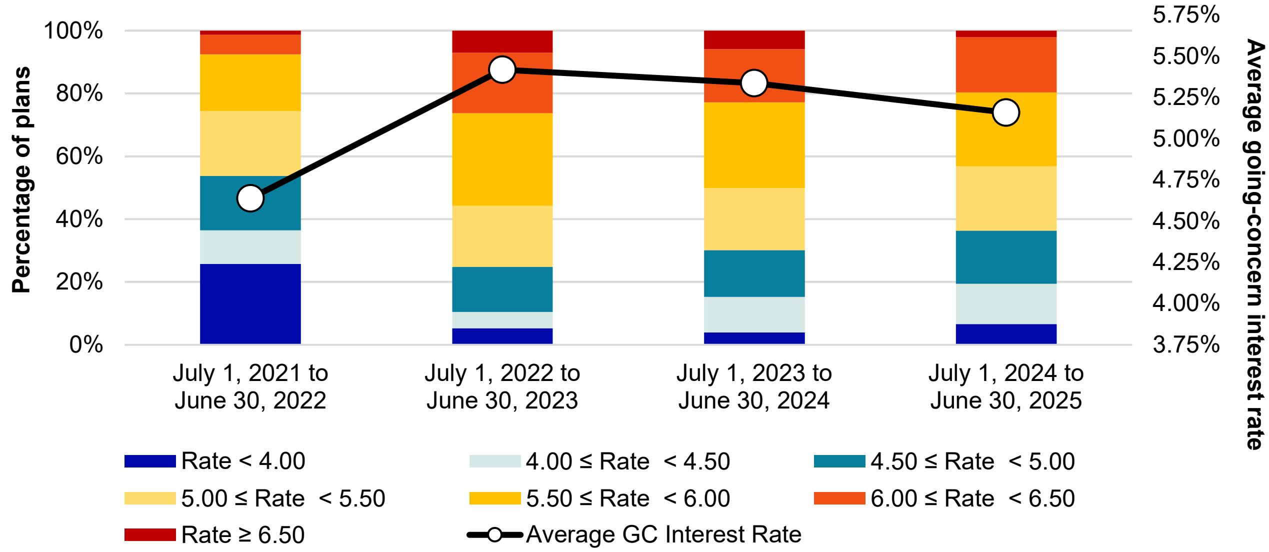
Chart 4.5 (additional details available in Appendix B) shows the interest rate assumptions used in the going-concern valuations.

In our review of the going-concern interest rate assumptions over the past two decades, there has been a very long steady trend of declining interest rate assumptions, which continued until the 2016/2017 valuation period. Following a period of volatility, the interest rates reached their lowest point in the 2020/2021 valuation period, coinciding with the economic uncertainty during the COVID19 pandemic.

The downward trend began to reverse following the 2021/2022 valuation period. The average going-concern interest rate increased from 4.64% in 2021/2022 to a peak of 5.42% in 2022/2023, before declining modestly to 5.34% in 2023/2024 and 5.16% in 2024/2025. Despite this recent decline, the average rate remained above the level observed in 2021/2022.

For the 2024/2025 valuation period, only 7% of plans used an assumption below 4.0%, compared to 26% in 2021/2022. Conversely, 20% of plans used an assumption of 6.0% or higher, compared with 8% in 2021/2022.

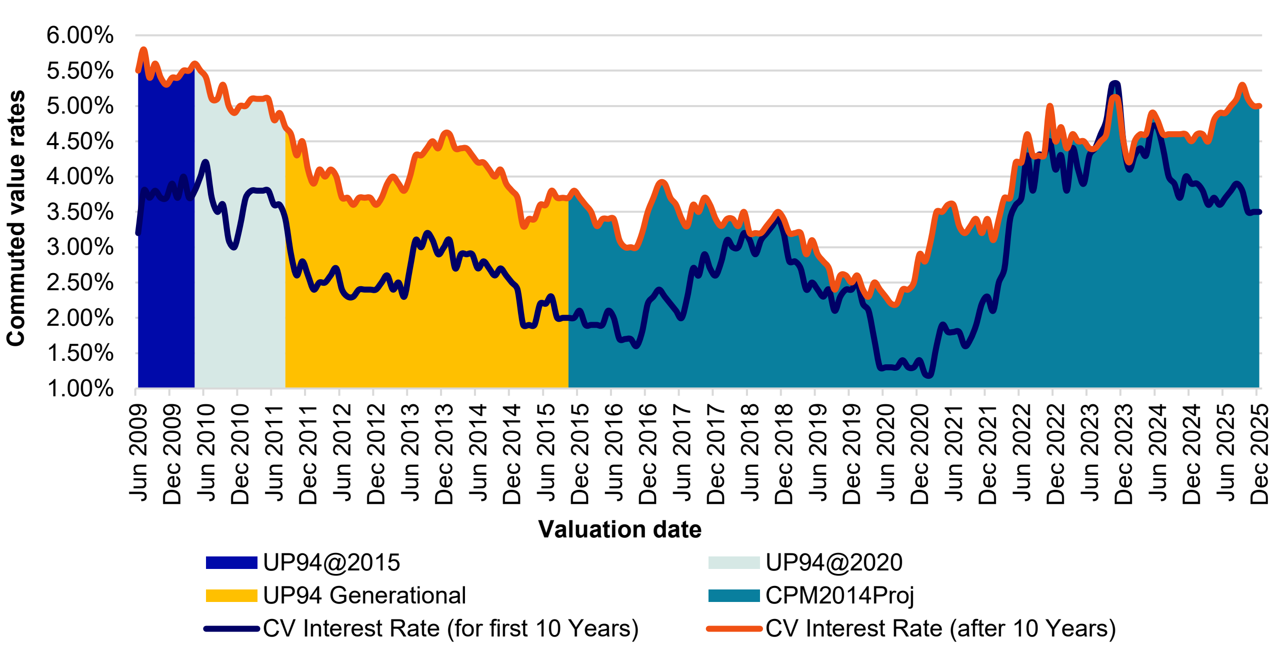
Chart 4.5 – Going-concern interest rate assumption by valuation period



Solvency interest rates

Chart 4.6 graphs the non-indexed commuted value and mortality basis based on the CIA Standards of Practice for Pension Plans applicable as of the valuation date.

Chart 4.6 Commuted value rates

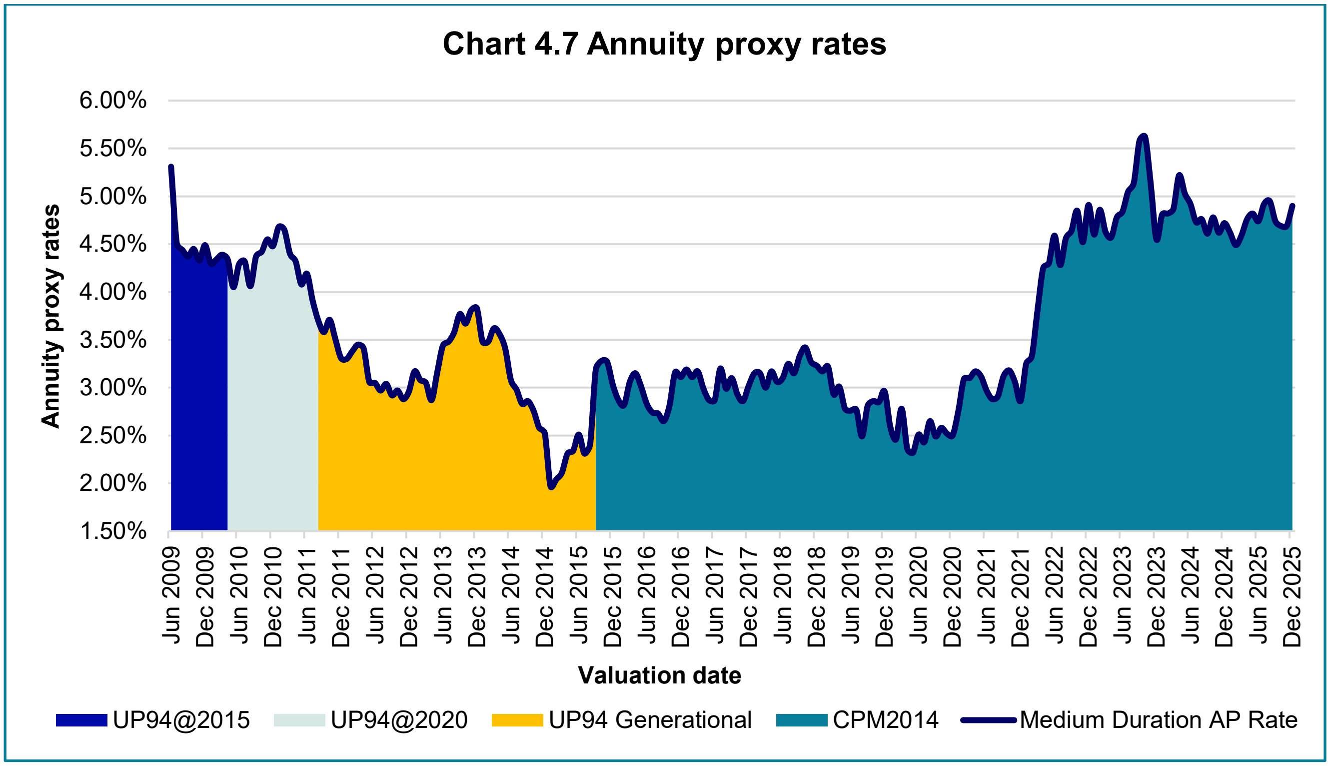


The CIA periodically updates its Guidance to actuaries for estimating the cost of purchasing a group annuity for Hypothetical Windup and Solvency Valuations. An Explanatory Report was issued on April 30, 2026 from the Committee on Pension Plan Financial Reporting (PPFRC) that was applicable for valuation dates between March 31, 2026 and June 29, 2026. The Guidance concluded that for valuations within this period, an appropriate discount rate for estimating the cost of purchasing a non-indexed group annuity, prior to any adjustment for sub- or super-standard mortality, would be determined based on the interpolation method, applicable durations and spreads outlined below:

Illustrative block	Duration	Spread above unadjusted CANSIM V39062
Low duration	7.7	110 bps
Medium duration	9.8	110 bps
High duration	11.7	110 bps

It should be noted that the 2025 Report does not reflect any updated guidance that may be issued by the PPFRC after April 30, 2026. Historically, any such guidance would not affect calculations up to December 31, 2025, the end date of the period covered by the 2025 Report.

Chart 4.7 graphs the non-indexed interest rates for annuity purchases as set out in the historical CIA Guidance. The chart shows estimated interest rates based on liabilities with a medium duration, where applicable.



As the above charts demonstrate, after a prolonged period of relatively low interest rates spanning almost a decade, solvency interest rates began to climb sharply in 2022 and have remained elevated, with a spike in 2023. In June 2024, the Bank of Canada lowered its key interest rate to 4.75%, marking its first rate cut since March 2020. The policy rate has been gradually decreasing, and it currently sits at 2.25% where it has been held steady since October 2025. The potential for further rate cuts remains uncertain as of the preparation of this report.

5.0 Investment

The plans included in the investment data analysis are a subset of the 876 plans identified in Section 2 of this 2025 Report. This subset consists of plans that have filed an Investment Information Summary (IIS) for the most recent 2025 monitoring cycle (fiscal year-ends between July 1, 2024 and June 30, 2025). In most cases (over 90%), the IIS reporting relates to the calendar year 2024. There are 856 plans included in the investment data analysis, representing 98% of the plans included in the funding data analysis.[5] This number includes the 9 Listed JSPPs. For hybrid plans, only the DB assets are included in the data.

5.1 Summary of pension fund profiles and performance

The asset mix of the 856 plans for the most recent monitoring cycle and their performance are summarized in Table 5.1 and depicted in Chart 5.2, Chart 5.3 and Chart 5.4.

In the Asset Mix section, the weight of each asset class is shown for all plans in each subgroup and for all plans as a whole.

In the Performance section, all performance numbers are determined at the individual plan level. “Average investment fees” means the average expenses paid from the pension plan related to managing the pension plan’s investments, expressed as a percentage of average assets during the reporting year.

[5] Plans not included here are primarily plans with outstanding IIS filings.

Table 5.1 – Investment profile of all plans

	SEPP		MEPP		Listed JSPP	
Number of plans	781		66		9	
Asset mix	**Market value (in Millions)**	**% of total investments**	**Market value (in Millions)**	**% of total investments**	**Market value (in Millions)**	**% of total investments**
Cash and short-term investments	$7,863	4.1%	$1,475	2.6%	$39,499	6.2%
Bond	$86,249	45.0%	$15,591	27.4%	$181,972	28.7%
Equity	$55,859	29.2%	$23,343	40.9%	$104,433	16.5%
Real estate	$25,194	13.2%	$9,577	16.8%	$51,995	8.2%
Alternative investments[6]	$16,269	8.5%	$6,996	12.3%	$255,591	40.4%
Total	**$191,434**	**100.0%**	**$56,982**	**100.0%**	**$633,490**	**100.0%**
Performance	**SEPP**		**MEPP**		**Listed JSPP**	
Average gross return[7]	10.04%		12.68%		11.72%	
Average investment fees	0.35%		0.46%		0.61%	
Average admin fees	0.67%		0.52%		0.26%	
Average total fees	1.02%		0.98%		0.87%	

[6] Alternative investments include hedge funds, private equity, infrastructure, currency hedging, resource properties, commodities, etc.

[7] The average returns in this table and other tables in this section are the arithmetic (equally-weighted) average of investment returns of the pension funds in each subgroup. The average of investment returns weighted by the sizes of all 856 pension funds is 10.00%, compared to 10.26% on an equally-weighted basis.

Chart 5.2: Asset allocation of SEPPs

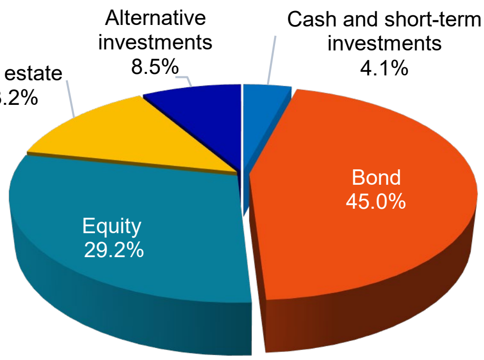


Chart 5.3: Asset allocation of MEPPs

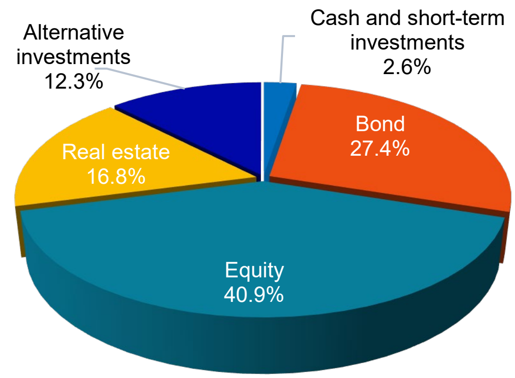
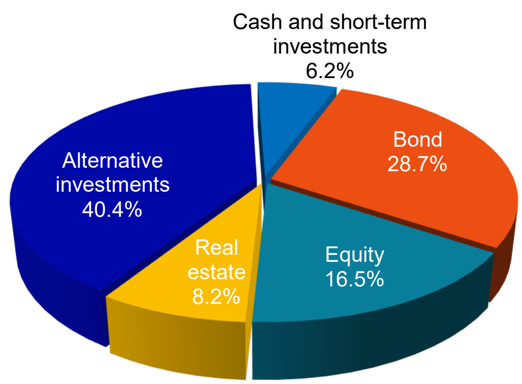


Chart 5.4: Asset allocation of Listed JSPPs



On a broad basis, traditional fixed income assets (consisting of cash, short-term investments and bonds) constitute 49% of total investments for the SEPPs. Non-fixed income assets (consisting of equity, real estate and alternative investments) constitute 51% of total investments, although we note that the nature of alternative investments means that they cannot always be classified as purely fixed or non-fixed income assets. The allocation between fixed and non-fixed income assets has no material changes from last year.

In contrast, MEPPs and the nine Listed JSPPs (which are mostly large public sector plans) have a very different aggregate asset mix. MEPPs have a much lower allocation to traditional fixed income assets and a higher allocation to equities. Their overall asset mix remains largely unchanged from the previous year.

The Listed JSPPs continue to maintain a substantially higher allocation to alternative investments and comparatively lower proportion to equity investments than SEPPs and MEPPs.

Table 5.5 – Performance result percentiles by plan type

Plan type	SEPP	MEPP	Listed JSPP	All plans
No. of plans	781	66	9	856
Gross investment returns				
90th percentile	15.77%	16.88%	14.49%	15.87%
75th percentile	13.21%	14.87%	13.01%	13.45%
Median	10.12%	13.04%	10.50%	10.40%
25th percentile	6.56%	10.98%	9.96%	6.88%
10th percentile	3.90%	9.00%	9.53%	3.99%
Investment fees				
90th percentile	0.73%	0.68%	1.13%	0.73%
75th percentile	0.50%	0.55%	0.69%	0.51%
Median	0.31%	0.44%	0.63%	0.32%
25th percentile	0.12%	0.33%	0.32%	0.14%
10th percentile	0.00%	0.22%	0.23%	0.00%
Administrative fees				
90th percentile	1.47%	0.82%	0.46%	1.43%
75th percentile	0.69%	0.42%	0.37%	0.65%
Median	0.31%	0.23%	0.18%	0.30%
25th percentile	0.11%	0.14%	0.13%	0.12%
10th percentile	0.00%	0.08%	0.11%	0.00%
Total fees				
90th percentile	1.78%	1.31%	1.47%	1.77%
75th percentile	1.12%	0.92%	1.05%	1.11%
Median	0.68%	0.73%	0.76%	0.69%
25th percentile	0.41%	0.58%	0.53%	0.43%
10th percentile	0.23%	0.40%	0.41%	0.24%

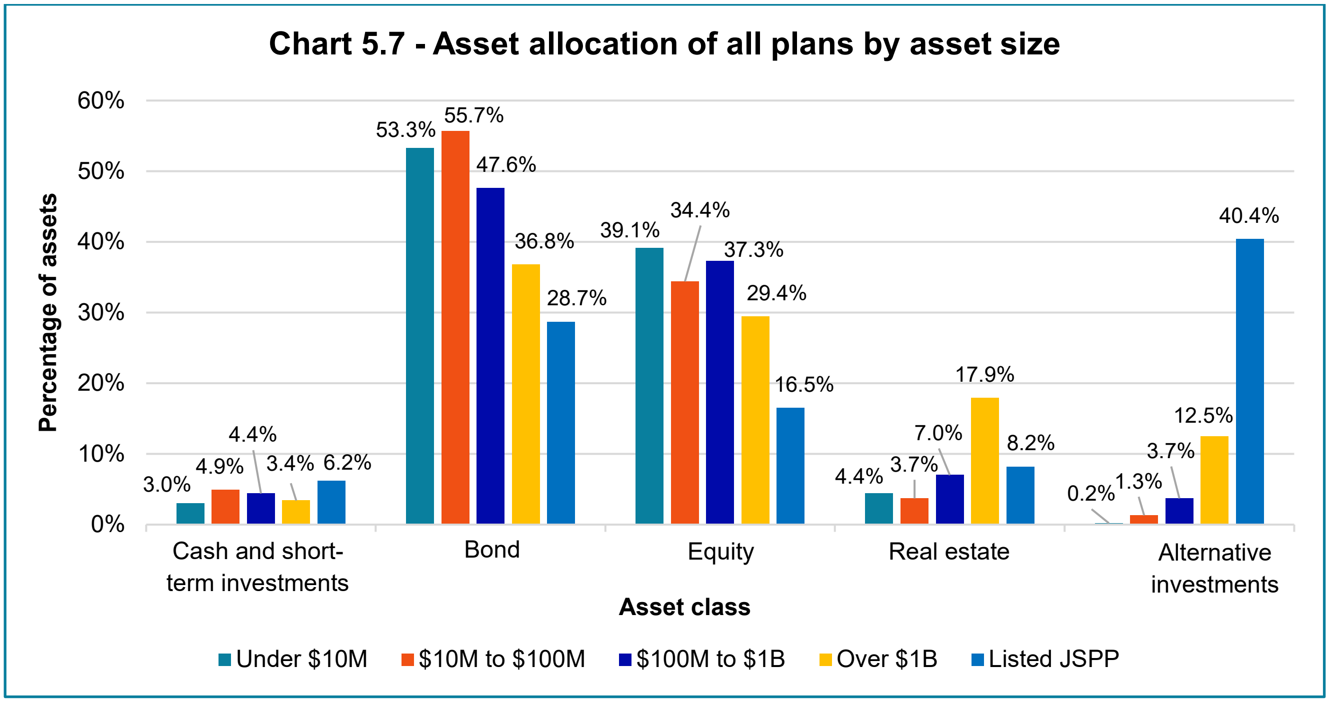
Allocations to different asset classes vary among pension plans, based on the total value of their assets. Generally, the larger the pension fund, the higher the allocations to real estate and alternative investments and the less to bond and equity. This difference is especially noticeable when comparing pension funds with over $1 billion in assets to those that are smaller. The asset allocation of all plans, and performance, by asset size is shown in Table 5.6 and depicted in Chart 5.7.

Table 5.6 – Asset allocation of all plans by asset size

Size of plan assets	Under $10M	$10M to $100M	$100M to $1B	Over $1B	Listed JSPP	All plans
No. of plans	198	395	209	45	9	856
Cash and short-term investments	3.0%	4.9%	4.4%	3.4%	6.2%	5.5%
Bond	53.3%	55.7%	47.6%	36.8%	28.7%	32.2%
Equity	39.1%	34.4%	37.3%	29.4%	16.5%	20.8%
Real estate	4.4%	3.7%	7.0%	17.9%	8.2%	9.9%
Alternative investments	0.2%	1.3%	3.7%	12.5%	40.4%	31.6%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Performance						
Average gross return	10.95%	9.95%	9.98%	11.00%	11.72%	10.26%
Average investment fees	0.52%	0.33%	0.27%	0.35%	0.61%	0.36%
Average admin fees	1.35%	0.59%	0.26%	0.15%	0.26%	0.66%
Average total fees	1.88%	0.92%	0.53%	0.50%	0.87%	1.02%

There is a common presumption that larger plans generally achieve higher investment returns and lower investment fees than smaller plans, due to greater sophistication and economies of scale. However, our annual reports have shown that this is not always the case, particularly in the short term. For fiscal years ending between July 1, 2024, and June 30, 2025 (excluding Listed JSPPs), average gross investment returns did not show a discernible pattern across plan sizes – from those with under $10 million in assets to those with over $1 billion.

In contrast, plan expenses continue to show a more consistent pattern. Pension plan expenses generally decline with increasing plan size, reflecting the impact of economies of scale. Smaller pension plans, particularly those with assets under $10 million, continue to incur significantly higher plan expenses on average. These plans reported average total fees of 1.9%, compared to 0.5% for plans with over $1 billion in assets.

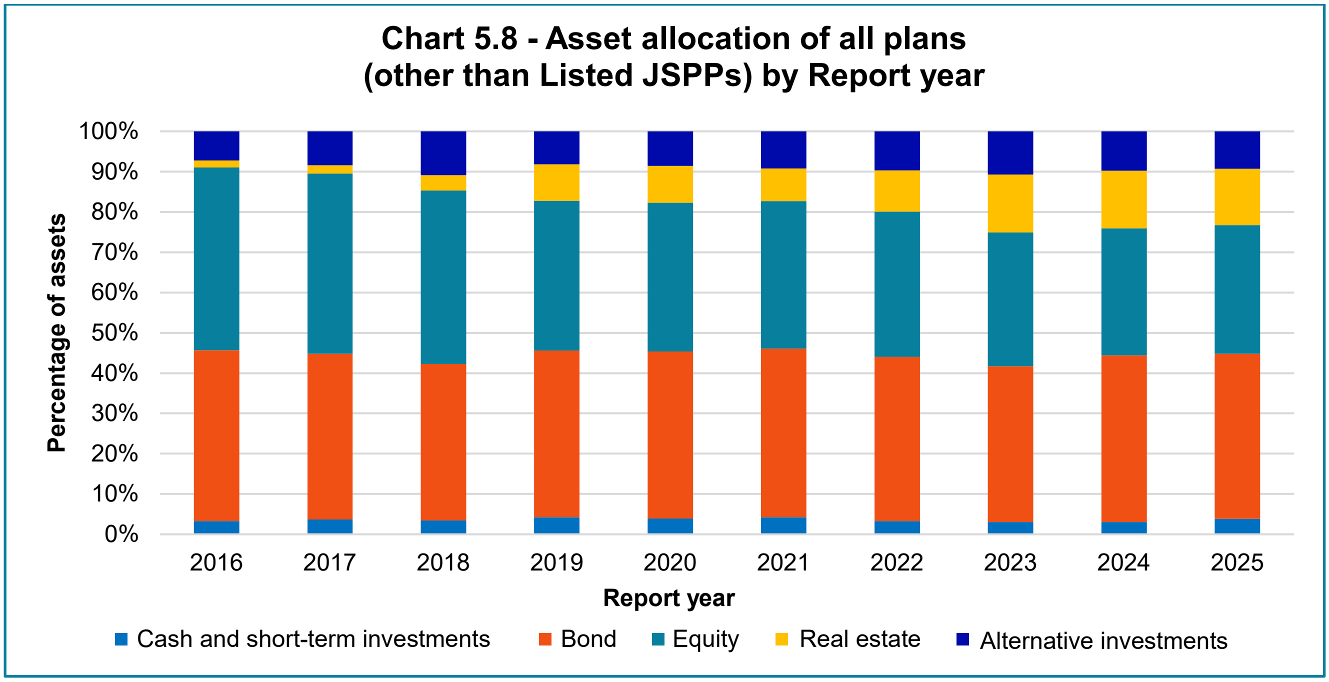


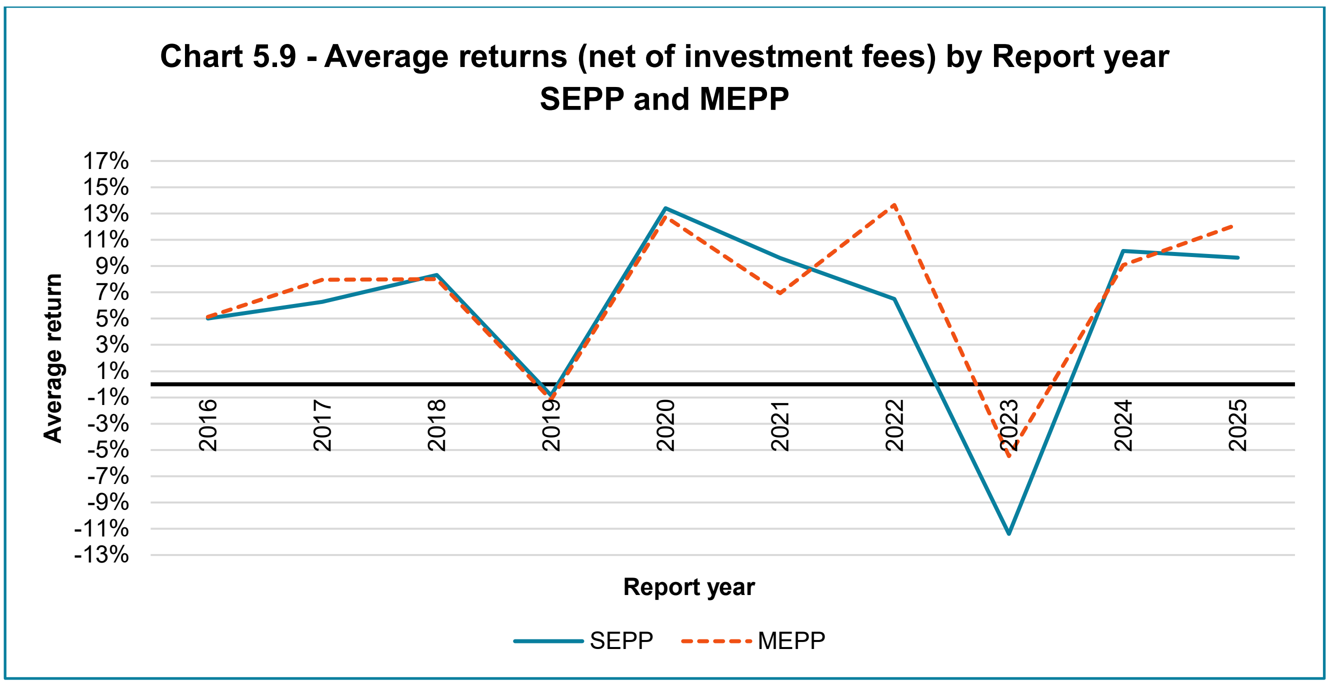
Investment data reported in our annual reports from the 2016 to 2025 monitoring cycles (each beginning on July 1 of the preceding year) show that pension plans in Ontario (other than Listed JSPPs) have gradually diversified their portfolios by reducing allocations to traditional equities and increasing exposure to alternative assets and real estate.

Over the past decade, there has been a clear trend in declining equity allocations, which fell from 45.3% in 2016 to 31.9% in 2025. In contrast, allocations to real estate have increased substantially, rising from 1.8% to 14.0% over the same period.

Bond and cash allocations remained relatively stable over the last decade - hovering around 40% and 3% level of total investments, respectively.

The asset allocation of all plans (other than Listed JSPPs) over this period is shown in Chart 5.8 (additional details available in Appendix B).





5.2 Additional information

This section provides additional fund performance information, for plans other than Listed JSPPs, based on a plan's percentage of funds invested in pooled funds.

By percentages invested in pooled funds (for plans other than Listed JSPPs)

Table 5.10 – Investment results by percentage invested in pooled funds

% Invested in pooled funds		Plan assets			
		Under $10M	$10M to $100M	$100M to $1B	Over $1B
< 20%	Number of plans	11	34	22	11
	Average gross return	9.05%	7.80%	9.68%	9.98%
	Average investment fees	0.44%	0.22%	0.24%	0.25%
20% - 80%	Number of plans	9	41	53	25
	Average gross return	11.80%	11.06%	8.77%	11.83%
	Average investment fees	0.40%	0.28%	0.25%	0.41%
> 80%	Number of plans	178	320	134	9
	Average gross return	11.03%	10.03%	10.50%	9.96%
	Average investment fees	0.53%	0.35%	0.28%	0.28%
Total	**Number of plans**	**198**	**395**	**209**	**45**
	Average gross return	**10.95%**	**9.95%**	**9.98%**	**11.00%**
	Average investment fees	**0.52%**	**0.33%**	**0.27%**	**0.35%**

The use of pooled funds generally declines as plan size increases. These investment vehicles offer smaller pension plans access to diversified portfolios, professional management, and cost efficiencies that may not be achievable on their own. As a result, 90% of plans with less than $10 million in assets have allocated more than 80 percent of their assets to pooled funds, compared to 20% of plans with assets over $1 billion.

6.0 Baseline projections

This section estimates annual funding contributions and funded positions of all plans to December 31, 2025 to facilitate continued monitoring and trend analysis.

6.1 Estimated DB funding contributions in 2026

Table 6.1 presents 2026 estimated funding contributions – comprising normal costs and special payments – for DB plans, including hybrid plans with defined benefit provisions. Estimates are based on contribution recommendations set out in the most recently filed plan valuation reports between July 1, 2022 and June 30, 2025.[8]

Table 6.1 – Estimated DB funding in 2026

	SEPP		MEPP	Listed JSPP	All plans
	Plans with solvency excess	Plans with solvency deficit			
Number of plans	718	81	68	9	876
(In Millions)					
Employer normal cost contributions	$1,689	$721	$2,298	$7,716	$12,424
Member required contributions	$761	$669	$218	$7,274	$8,922
Sub-total	**$2,450**	**$1,390**	**$2,516**	**$14,990**	**$21,346**
Special payments	$37	$678	$91	$1,008	$1,814
Total	**$2,487**	**$2,068**	**$2,607**	**$15,998**	**$23,160**

[8] For plans where the AIS reported contributions did not extend to cover 2026, the 2026 estimated contributions were determined assuming contributions would continue at the last available rate.

Total 2026 DB funding contributions are estimated to be $23.2 billion, of which 7.8% represents special payments of $1.8 billion. This compares to the total 2025 DB funding contributions estimated in the 2024 Report of $21.4 billion. The increase in total contributions of $1.8 billion consists of increases of approximately $0.7 billion in employer normal costs, $0.8 billion in member required contributions, and $0.3 billion in special payments.

For SEPPs, the table also provides a breakdown of estimated funding contributions between plans with a solvency excess and plans with a solvency deficit in the most recently filed report. Special payments of $37 million represent 1.5% of total contributions for SEPPs with a solvency excess. This compares to special payments of $678 million, representing 32.8% of total contributions for SEPPs with solvency deficits. Overall, special payments for SEPPs increased by $312 million from the previous year, largely driven by a very small number of large plans.

6.2 Projected financial position as at December 31, 2025

December 31, 2025 solvency position projection

Table 6.2 presents the distribution of solvency ratios reported in the last filed valuation reports and the distribution of Projected Solvency Ratios (PSRs) derived by projecting DB solvency plan assets and actuarial liabilities to the end of 2025 (with a comparison of PSRs as at December 31, 2024 from the 2024 Report). The projections reflect the impact of investment returns, changes in solvency interest rates and expected funding contributions.

Table 6.2 – Distribution of Solvency Ratios (SRs)

	Actual as at last filed valuation	Projected solvency ratio as at Dec. 31, 2025			
		SEPP	MEPP	Listed JSPP	All plans
Median SR	**117%**	**123%**	**111%**	**125%**	**122%**
SR < 70%	1%	1%	0%	0%	1%
70% ≤ SR < 85%	1%	1%	2%	0%	1%
85% ≤ SR < 100%	11%	7%	24%	0%	8%
SR ≥ 100%	87%	91%	74%	100%	90%

The median projected solvency ratio for all plans has increased to 122% as at December 31, 2025 from 120% as at December 31, 2024. The increase is primarily attributable to:

- A 4% increase due to an estimated median net investment return of 8.2% and estimated contributions made in 2025;
- A 4% decrease resulting from changes in the composition of plans and updated valuation filings submitted since the 2024 Report
- A 2% increase due to changes in the solvency valuation interest rates leading to decreased liabilities

December 31, 2025 going-concern position projection

With the enhanced focus on going-concern funded positions of DB plans under the funding regime, FSRA also estimated going-concern funded ratios as at December 31, 2025 to facilitate further proactive tracking in the future. December 31, 2025 going-concern funding ratios were developed by projecting DB going-concern plan assets and actuarial liabilities to the end of 2025 and reflecting actual/estimated investment returns to the end of 2025.

In contrast to the projected solvency ratios, the projected going-concern funded ratios are not based on prescribed interest rates but chosen by the plan actuary in consultation with the plan administrator. Our projection assumes that the going-concern actuarial assumptions, and in particular the interest rate, would remain unchanged from those used in the last filed actuarial valuation report. However, because the going-concern interest rate assumption is not prescribed, more variability is expected in the projected results when compared to actual outcomes.

Table 6.3 – Distribution of Going-Concern Ratios (GCRs)

	Actual as at last filed valuation	Projected going concern ratio as at Dec. 31, 2025			
		SEPP	MEPP	Listed JSPP	All plans
Median GCR	**114%**	**117%**	**121%**	**106%**	**117%**
GCR < 70%	1%	1%	0%	0%	1%
70% ≤ GCR < 85%	2%	2%	0%	0%	2%
85% ≤ GCR < 100%	10%	13%	3%	22%	12%
GCR ≥ 100%	87%	84%	97%	78%	85%

Please note that the projected going-concern ratios provided above include the PfAD. If the PfADs were excluded, the ratios would be higher.

Methodology and assumptions

Results reported in the most recently filed valuation reports (i.e., assets and liabilities) were projected to December 31, 2025 reflecting estimated investment returns and expected contributions along with the following assumptions:

- Sponsors would use all available funding excess and prior year credit balances for contribution holidays subject to statutory restrictions.
- Sponsors would make all required normal cost contributions and minimum statutory special payments.
- Cash outflows equal to pension amounts payable to retired members as reported in the last filed valuation reports were deducted from both plan assets and liabilities. Plan administration costs were indirectly reflected through the use of net after expense investment returns.

Each plan's unique projection period investment returns for 2022, 2023 and 2024 were determined based on its IIS fillings.

Table 6.4 – Individual plan 2022, 2023 and 2024 rate of return statistics

	5th percentile	25th percentile	Median	75th percentile	95th percentile
2024 gross return	2.9%	6.9%	10.4%	13.3%	17.9%
2024 net after investment expense	2.5%	6.6%	9.8%	12.9%	17.2%
2024 net after all expense	1.4%	5.9%	9.4%	12.4%	16.8%
2023 gross return	5.2%	8.9%	10.5%	12.1%	15.5%
2023 net after investment expense	4.8%	8.4%	10.1%	11.7%	15.2%
2023 net after all expense	3.5%	7.8%	9.5%	11.2%	14.4%
2022 gross return	-20.3%	-16.1%	-11.0%	-6.6%	2.4%
2022 net after investment expense	-20.9%	-16.3%	-11.4%	-7.0%	2.0%
2022 net after all expense	-21.6%	-16.8%	-11.7%	-7.5%	1.7%

For 2025, each plan's returns were estimated based on its 2024 IIS asset allocation information in conjunction with 2025 market index returns, offset by a 25 basis point quarterly expense allowance.

Table 6.5 – Estimated rate of return statistics for 2025 based on market index returns

	5th percentile	25th percentile	Median	75th percentile	95th percentile
2025 gross return	1.0%	5.1%	9.3%	13.5%	16.1%
2025 net after all expense	0.0%	4.0%	8.2%	12.4%	15.0%

Table 6.6 – 2025 market index returns

	FTSE Canada 91-day T Bill Index	FTSE Canada Universe Bond Index	FTSE Canada Long Term Bond Index	S&P / TSX Total Return Index	MSCI World Total Net Return Index	Cohen & Steers Global Realty Majors Index
Q4 2025	0.6%	-0.3%	-1.4%	6.3%	1.6%	-2.9%
Q3 2025	0.7%	1.5%	1.2%	12.5%	9.4%	3.9%
Q2 2025	0.7%	-0.6%	-2.3%	8.5%	5.7%	-0.5%
Q1 2025	0.8%	2.0%	1.8%	1.5%	-1.7%	2.2%

Table 6.7 – Projected solvency valuation bases at December 31, 2024 and 2025

	Commuted value basis	Annuity purchase basis
December 31, 2025	Interest: 3.50% for 10 years, 5.00% thereafter Mortality: CPM2014 generational	Interest: 4.90% Mortality: CPM2014 generational
December 31, 2024	Interest: 3.90% for 10 years, 4.50% thereafter Mortality: CPM2014 generational	Interest: 4.72% Mortality: CPM2014 generational

7.0 Glossary

The following terms are explained for the purpose of this report:

Defined Benefit (DB) Pension Plan: In a defined benefit pension plan, the amount of the pension benefit is determined by a defined formula, usually based on years of service.

Defined Contribution (DC) Pension Plan: In a defined contribution plan, the pension benefit is based solely on the amount of pension that can be provided by the amount contributed to the member's individual account together with any expenses and investment returns allocated to that account.

Funding Valuation: This is a valuation of a defined benefit pension plan prepared for funding purposes. Two types of valuations are required by the PBA: a *going-concern* valuation (which assumes the pension plan will continue indefinitely); and a *solvency* valuation (which assumes the plan would be fully wound up as at the effective date of the valuation). Under Ontario's legislation, a solvency valuation may exclude the value of specified benefits (e.g., indexation, prospective benefit increases, or plant closure/layoff benefits).

Hybrid Pension Plan: A hybrid pension plan contains both defined benefit and defined contribution provisions. A member's pension benefit may be a combination of the defined benefit plus the defined contribution entitlement or a pension benefit which is the greater of the defined benefit entitlement or the defined contribution entitlement.

Jointly sponsored pension plan (JSPP): A jointly sponsored pension plan is a special type of pension plan in which decision making and contributions are shared by both plan members and their employer(s). A JSPP provides defined benefits to plan members and contributions are always made by both plan members and their employers (this is known as a contributory plan).

Multi-Employer Pension Plan (MEPP): A multi-employer pension plan covers the employees of two or more unrelated employers. These plans may provide defined benefits but, in most MEPPs, the required contributions are negotiated and fixed through collective bargaining.

Single Employer Pension Plan (SEPP): A single employer pension plan is one in which a single employer, or several related employers within a corporate group, participate and contribute to the same pension plan. A SEPP can be provided to all employees, or just certain classes of employees (e.g., all unionized employees). It is usually governed and administered by the plan sponsor without input from plan members.

Target Benefit (TB) Pension Plan: Similar to a DB pension plan, the pension benefit is determined by a defined formula, but the benefits are not guaranteed and may be adjusted based on the plan's funded status.

Appendix A – Additional information

This appendix provides additional details of the profile of the plans that have been included in the funding data analysis. The data consists of DB pension plans that have filed valuation reports with valuation dates between July 1, 2022 and June 30, 2025. Please refer to Section 2.0 – Funding Data for details of how the data was compiled.

Table A.1 shows a reconciliation of the 908 plans analyzed in the 2024 Report to the 876 plans analyzed in the 2025 Report and Table A.2 compares the number of plans analyzed in the current report with the plans analyzed in previous reports.

Table A.1 – Reconciliation of plans from the 2024 Report to the 2025 Report

Plan Type	SEPP – Open	SEPP – Closed	SEPP – Total	MEPP	Listed JSPP	Total
2024 Report	**183**	**649**	**832**	**67**	**9**	**908**
New plans / spin-offs	2	1	3	1		4
Change jurisdiction		2	2			2
Change designated plan status	(1)	1	0			0
Asset transfer	(3)	(5)	(8)			(8)
Conversion from DB to DC		(1)	(1)			(1)
Wind up	(2)	(28)	(30)			(30)
Change status (Open/Closed)	(6)	6	0			0
Data correction		1	1			1
2025 Report	**173**	**626**	**799**	**68**	**9**	**876**

Table A.2 – Plans included in current and previous Reports by plan type

Year	SEPP – Open	SEPP – Closed	SEPP – Total	MEPP	Listed JSPP	Total no. of plans	Total membership
2025	**173**	**626**	**799**	**68**	**9**	**876**	**3,713,198**
2024	183	649	832	67	9	908	3,637,116
2023	186	690	876	68	9	953	3,495,586
2022	206	730	936	67	9	1,012	3,437,906
2021	227	777	1,004	68	8	1,080	3,382,291
2020	*	*	1,073	69	7	1,149	3,367,124
2019	*	*	1,150	73	7	1,230	3,338,522
2018	*	*	1,284	73	7	1,364	3,377,627
2017	*	*	1,304	74	0	1,378	1,870,615
2016	*	*	1,260	73	0	1,333	1,866,565
2015	*	*	1,211	72	0	1,283	1,835,156
2014	*	*	1,238	73	0	1,311	1,833,773
2013	*	*	1,285	76	0	1,361	1,860,156
2012	*	*	1,311	76	0	1,387	1,832,800
2011	*	*	1,368	70	0	1,438	1,828,604
2010	*	*	1,436	70	0	1,506	1,866,444

** This information was not available prior to 2021.*

Table A.3 shows a breakdown of the number of plans by size of plan membership and Table A.4 shows a breakdown of the total members covered by size of plan membership.

Table A.3 – Number of plans by size of membership in plan

Number of members in plan	SEPP	MEPP	Listed JSPP	Total
0 – 49	178	0	0	178
50 – 99	118	2	0	120
100 – 249	186	2	0	188
250 – 499	117	2	0	119
500 – 999	79	9	1	89
1,000 – 4,999	89	25	0	114
5,000 – 9,999	22	8	0	30
10,000+	10	20	8	38
Total	**799**	**68**	**9**	**876**

Table A.4 – Total membership by size of membership in plan

Number of members in plan	SEPP	MEPP	Listed JSPP	Total
0 – 49	3,955	0	0	3,955
50 – 99	8,807	146	0	8,953
100 – 249	29,827	383	0	30,210
250 – 499	42,116	736	0	42,852
500 – 999	59,368	7,413	694	67,475
1,000 – 4,999	188,666	62,091	0	250,757
5,000 – 9,999	150,275	61,093	0	211,368
10,000+	252,738	1,016,585	1,828,305	3,097,628
Total	**735,752**	**1,148,447**	**1,828,999**	**3,713,198**

Appendix B – Supplementary tables

This appendix provides supplementary data to what is presented in some of the charts in the main body of the report. The inclusion of these tables augments the charts and provides continuity with previous reports to users who may be interested in the additional data.

Table 4.1 corresponds to the data presented in Chart 4.1. It provides a breakdown of plans by solvency ratios for the past four annual valuation periods beginning on July 1 from 2021 to 2024.[9]

Table 4.1 – Breakdown of plans (other than Listed JSPPs) by solvency ratios

Solvency Ratio (SR)	July 1, 2021 to June 30, 2022		July 1, 2022 to June 30, 2023		July 1, 2023 to June 30, 2024		July 1, 2024 to June 30, 2025	
	No. of plans	% of plans	No. of plans	% of plans	No. of plans	% of plans	No. of plans	% of plans
SR < 0.60	7	1.6%	5	1.2%	3	0.9%	2	0.5%
0.60 ≤ SR < 0.80	35	8.0%	12	2.8%	14	4.0%	5	1.3%
0.80 ≤ SR < 0.85	12	2.7%	10	2.3%	11	3.2%	7	1.8%
Sub-total < 0.85	**54**	**12.3%**	**27**	**6.3%**	**28**	**8.1%**	**14**	**3.6%**
0.85 ≤ SR < 0.90	18	4.1%	16	3.7%	10	2.8%	10	2.6%
0.90 ≤ SR < 1.00	99	22.5%	50	11.6%	26	7.5%	28	7.2%
Sub-total < 1.00	**171**	**38.9%**	**93**	**21.6%**	**64**	**18.4%**	**52**	**13.4%**
1.00 ≤ SR < 1.20	191	43.4%	212	49.2%	181	52.2%	164	42.4%
SR ≥ 1.20	78	17.7%	126	29.2%	102	29.4%	171	44.2%
Total	**440**	**100.0%**	**431**	**100.0%**	**347**	**100.0%**	**387**	**100.0%**
Median ratio	**1.04**		**1.10**		**1.13**		**1.18**	

[9] The number of plans for 2021-2024 inclusive may differ from those reported in the 2024 Report due to a variety of reasons including reports filed after last year's cut-off date of Dec. 31, 2024, plans that have been wound up, converted to a DC arrangement, plans that filed a late report or have had their registration moved out of the province.

Table 4.5 presents the corresponding data for Chart 4.5, providing detailed interest rate assumptions used in the going-concern valuations.

Table 4.5 – Going-concern interest rate assumption by valuation period

Rate (%)	July 1, 2021 to June 30, 2022		July 1, 2022 to June 30, 2023		July 1, 2023 to June 30, 2024		July 1, 2024 to June 30, 2025	
	No. of plans	% of plans	No. of plans	% of plans	No. of plans	% of plans	No. of plans	% of plans
Rate < 4.00	116	25.8%	23	5.2%	14	4.0%	26	6.6%
4.00 ≤ Rate < 4.50	48	10.7%	23	5.2%	40	11.3%	51	12.9%
4.50 ≤ Rate < 5.00	78	17.3%	63	14.4%	53	14.9%	67	16.9%
5.00 ≤ Rate < 5.50	93	20.7%	85	19.4%	70	19.7%	81	20.4%
5.50 ≤ Rate < 6.00	81	18.0%	129	29.5%	97	27.3%	93	23.5%
6.00 ≤ Rate < 6.50	28	6.2%	84	19.2%	60	16.9%	70	17.7%
Rate ≥ 6.50	6	1.3%	31	7.1%	21	5.9%	8	2.0%
Total	**450**	**100.0%**	**438**	**100.0%**	**355**	**100.0%**	**396**	**100.0%**
Average (%)	**4.64%**		**5.42%**		**5.34%**		**5.16%**	

Table 5.8 corresponds to the data presented in Chart 5.8, providing the asset allocation of all plans (other than Listed JSPPs) over the last 10 years.

Table 5.8 – Asset allocation of all plans (other than Listed JSPPs) from 2016 to 2025

Asset class	% of total investments									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cash and short-term investments	3.3%	3.7%	3.4%	4.2%	3.9%	4.2%	3.3%	3.0%	3.0%	3.8%
Bond	42.4%	41.1%	38.9%	41.4%	41.5%	41.9%	40.7%	38.7%	41.4%	41.0%
Equity	45.3%	44.7%	43.0%	37.2%	36.9%	36.6%	36.1%	33.2%	31.5%	31.9%
Real estate	1.8%	2.1%	3.8%	9.0%	9.1%	8.1%	10.2%	14.4%	14.3%	14.0%
Alternative investments	7.2%	8.4%	10.9%	8.2%	8.6%	9.2%	9.7%	10.7%	9.8%	9.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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