

November 18, 2019

Financial Services Regulatory Authority of Ontario
5160 Yonge Street, 16th Floor
Toronto, Ontario M2N 6L9

Submitted online via the Financial Services Regulatory Authority of Ontario [website](#).

Re: Draft 2020-21 FSRA Priorities and Budget

Dear Sirs/Mesdames,

The Colleges of Applied Arts and Technology Pension Plan (CAAT Plan) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to comment on the *Draft 2020-2021 FSRA Priorities and Budget*. The CAAT Plan appreciates the effort FSRA has taken to continue to build a responsible pension regulator that balances protecting pension benefits and the rights of pension plan beneficiaries while also facilitating the ongoing viability, growth and sustainability of pension plans in the province.

The CAAT Plan commends FSRA for the amount it has accomplished since its launch in June 2019. The CAAT Plan supports FSRA's 2020-21 draft pension priorities and offers additional feedback below.

Priority 8.1: Support Plan Evolution

As FSRA notes, single employer-sponsored registered pension plans are on the decline, and thus, in a rapidly changing sector, a principle-based and outcomes-focused approach to regulating the pension sector is required to ensure benefit security and plan innovation. To this end we commend FSRA's focus on the adoption of principles aimed at increasing innovation in the pension sector.

One such accomplishment has been the establishment of Relationship Management Teams for SEPP to JSPP mergers. To date, such teams have created appropriate forums for FSRA staff to better understand innovation which is occurring in the market. As the CAAT Plan continues to expand defined benefit pension coverage through its innovative DBplus design, we look forward to continuing to work with FSRA in its ongoing work.

Priority 8.3: Refocus Pension Regulation on Burden Reduction

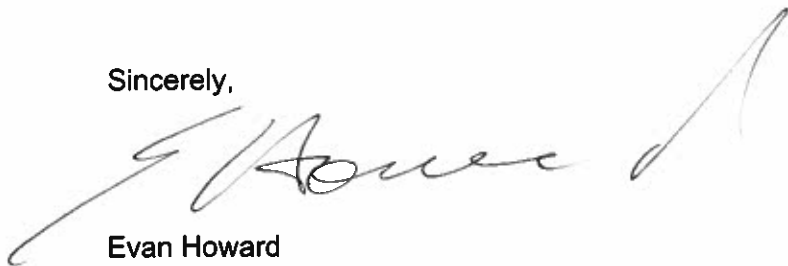
The CAAT Plan agrees with FSRA's priority to continue to assess the effectiveness and efficiency of the Ontario pension regulatory framework and practices in the promotion of a principles-based, risk reduction focused mandate. CAAT is further encouraged by the intended

focus on objectives that seek to reduce unnecessary regulatory burden. More specifically, the CAAT Plan encourages FSRA to continue to evaluate ways to streamline the regulatory requirements surrounding SEPP to JSPF asset transfers (e.g., consent notices, the application for and approval of asset transfers). Such efforts can ensure plan members better understand the terms of an asset transfer while ensuring that the regulator can be confident that merging parties have abided by the rules set out in the *Pensions Benefit Act*.

With that in mind, the CAAT Plan is encouraged and looks forward to participating in the recently established Stakeholder Advisory Committee for Pensions and the Technical Advisory Committee for Asset Transfers. Through this commitment to stakeholder engagement, such committees will foster important dialogue from stakeholders and inform opportunities for burden reduction within pension regulation.

Once again, we appreciate the opportunity to comment on the *Draft 2020-2021 FSRA Priorities and Budget*. CAAT Plan staff will be more than happy to provide further comment on this and/or respond to any questions you may have in response to this submission.

Sincerely,



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