

November 18, 2019

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

**Re: Willis Towers Watson Submission on Draft F2020-21 FSRA Priorities and Budget**

Dear Sir or Madam,

Willis Towers Watson welcomes the opportunity to comment on the Draft F2020-21 FSRA Priorities and Budget (Draft Priorities).

Willis Towers Watson designs and delivers solutions that manage risk, optimize benefits, cultivate talent and expand the power of capital to protect and strengthen institutions and individuals. Willis Towers Watson employs 45,000 colleagues worldwide, with approximately 450 engaged in providing services to sponsors of Canadian pension plans. The undersigned have prepared our response with input from others in the company.

We support FSRA's overall goals of burden reduction and increasing regulatory effectiveness. We have, however, a few comments on some of the specific priorities.

***Priority 1.1 Review Inherited Guidance***

We generally support the review of the inherited guidance from FSCO. However, with respect to the pension sector, FSRA's plan to remove or merge the guidance inherited from FSCO should be done carefully because many of FSCO's pension policies and other communications are in fact quite helpful rather than being a burden. This guidance often fills legislative gaps or clarifies the regulator's interpretation of certain aspects of the regulations that were not clear. Therefore, in conducting its review, FSRA should ensure that it does not remove helpful guidance and thereby add to the burden of pension administrators and advisors in determining the proper interpretation of Ontario's pension legislation.

More meaningful burden reduction would be achieved by streamlining the actual legislative requirements through amendments to, or replacement of, legislation as needed, and we support FSRA's intention to continue collaboration with the Ministry of Finance on legislative improvements.

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**Priority 3.1 Transition to Principles-Based Regulation**

We see the move to principles-based regulation as a key initiative for FSRA. Interpreting and applying existing legislation in a less prescriptive manner and with the objectives of the legislation in mind can help to ease the burden of administering pension plans without lessening the protection of plan members. In this regard the recently published *Approach to Requirements After Certain Annuity Purchases for Defined Benefit Plans* is an example of an approach that will be helpful to administrators.

**Priority 2.7 Improve Information Sharing with Regulators**

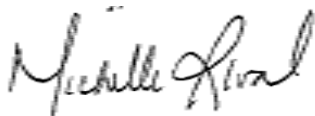
We support FSRA's goal of improving information sharing with regulators in other jurisdictions and agree that it should be a priority. However, interjurisdictional co-operation should go beyond information sharing. In the pension sector, one of the areas where legislative requirements are most unclear is with respect to the regulation of multi-jurisdictional plans. It should be an ongoing priority for FSRA to work with the Canadian Association of Pension Supervisory Authorities to support its mandate to make Canada's pension regulatory system more efficient and effective and to develop solutions and guidance to coordinate pension regulation in Canada. Making this a priority would assist in making requirements for multi-jurisdictional plans clearer.

**5.5.2 2020-21 Draft Pensions Priorities**

As a general comment with respect to the pension sector, FSRA's priorities seem to be focused on large public sector plans, JSPPs, and MEPPs. However, FSRA should not lose sight of the need for burden reduction for single-employer pension plans, which are the majority of registered pension plans in Ontario. Arguably, given that these plans are generally smaller than public sector plans, JSPPs, and MEPPS, they may be the plans where burden reduction is most needed.

We greatly appreciate the opportunity to comment on this part of the Draft Proposals and would be pleased to answer any questions you may have.

Sincerely,



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