



March 14, 2022

Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, ON M2N 6S6

**Re: Public Feedback Sought on Aspects of the Pension Benefits Guarantee Fund (“PBGF”)**

Following the recent interpretation published February 14, 2022, on the *Pension Benefits Guarantee Fund Assessment Calculations and Deadlines*, Normandin Beaudry has taken note of the proposed interpretation and would like to present you with our comments.

We first want to thank the Financial Services Regulatory Authority of Ontario (“FSRA”) for the opportunity to provide feedback and comments on this issue. We agree with all aspects of the proposed interpretation and our comments reflect elements which we feel may be beneficial to consider or include in this interpretation.

### **PBGF ASSESSMENT - CALCULATION**

We agree that the annual PBGF assessment calculation should be based on the information set out in the most current valuation report filed that has a valuation date not later than the fiscal year end of the pension plan immediately prior to the assessment date.

However we believe that there exists an issue with the coincidence of deadlines of the submission of valuation reports and the payment of the fees related to the PBGF assessment (9 months after the fiscal year end). If FSRA’s Pension Services Portal does not yet recognize, by the assessment date, a new valuation submitted for the PBGF calculations, there should be an alternative way to submit the PBGF assessment so that the assessment and payment reflects the new valuation. We believe that this situation should be addressed in this interpretation in order to reduce unnecessary administrative burdens. Currently, a revised PBGF assessment needs to be produced shortly after the above deadline to reflect the most recent actuarial valuation.

## **PBGF ASSESSMENT – DEADLINE**

We understand the interpretation of late payment penalty equal to 20% of the PBGF assessment (plus ongoing interest).

We believe, however, that clear communication should be sent to inform administrators of late payments and to remind them that penalties are credited with interest. Currently, administrators can only be made aware of an existing outstanding payment through the status of the PBGF on the Pension Services Portal. From our experience, there is a long delay for the reception of information on the penalty owed. We believe the related administrative processes should be improved.

Furthermore, if the administrators' request for a postponement of the PBGF annual assessment is accepted by FSRA, we believe that clear communication should be provided by FSRA to remind the administrator that the payment of the PBGF assessment is still required by the deadline in order to avoid penalties.


## **ADDITIONAL COMMENTS**

From our experience, there is a long delay for the reception of a refund following a revised PBGF assessment (ex. following the filing of a new actuarial valuation). The related administrative processes should be improved, and interest should be credited for any unreasonable delays.

We hope that this document will contribute to the review of the proposed interpretation and administrative processes.

It is with pleasure that we can, at your convenience, discuss in more details or answer your questions regarding this document.

On behalf of Normandin Beaudry's Ontario Legislation Committee,



Louis Duranleau, FSA, FCIA  
Principal



Marie-Josée Forcier, FSA, FCIA  
Principal