

Stakeholder Engagement - March 7, 2017



Solvency Reserve Accounts



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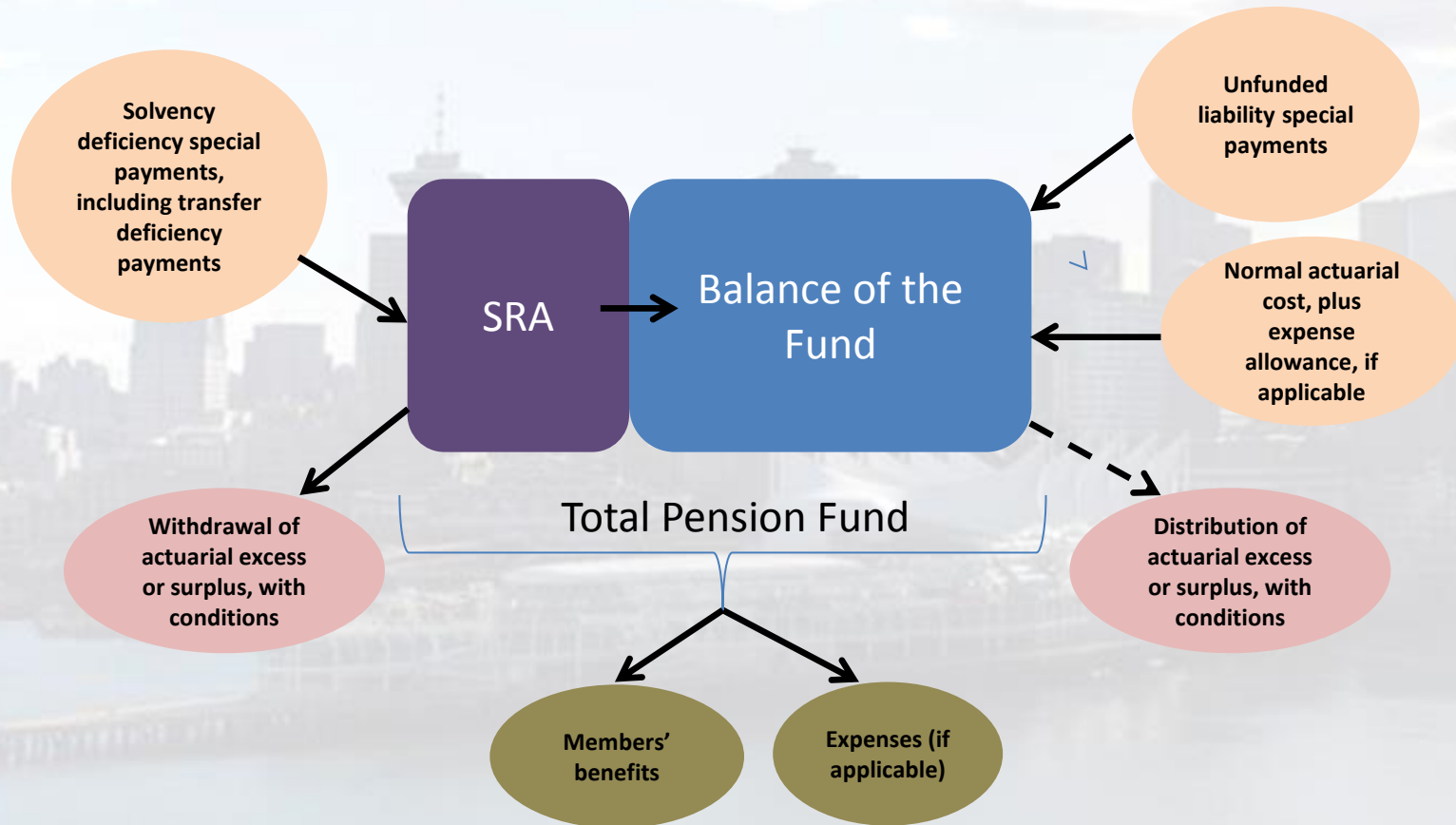
Agenda

- What is an SRA?
- How it works
- Withdrawals from an SRA
- Disclosure
- FICOM's experience

What is an SRA?

- A solvency reserve account (SRA) is:
 - A separate account within a plan's fund
 - Hold solvency deficiency payments only
 - For defined benefit component only
- To avoid “trapped capital”

How it works



Withdrawals from an SRA

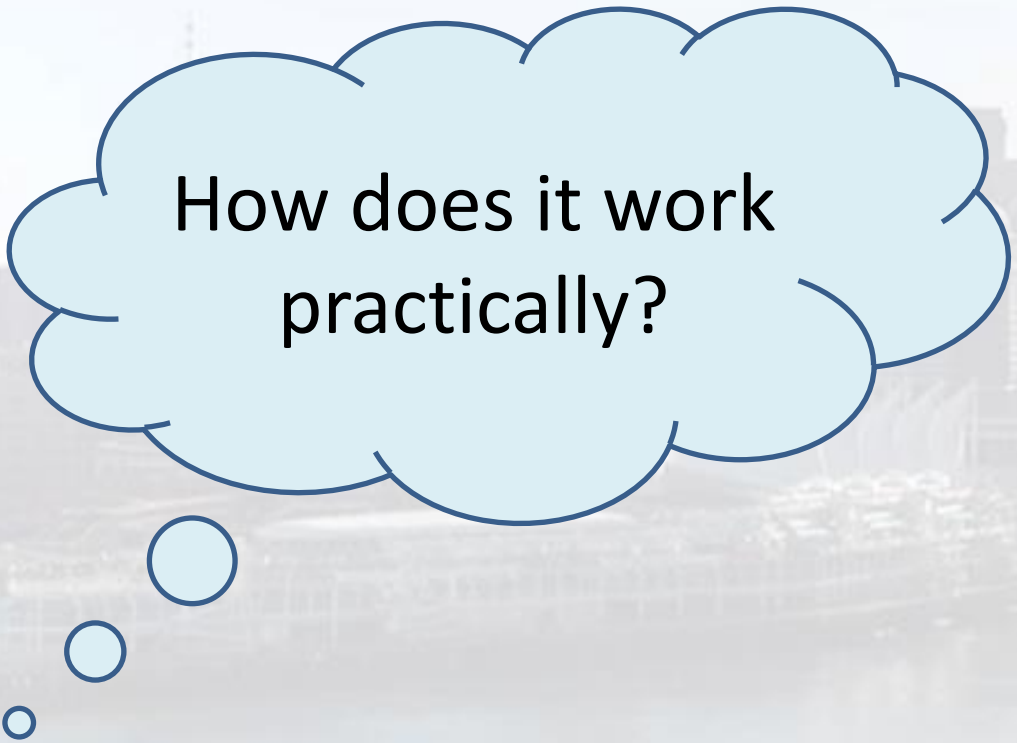
- Superintendent's consent
- Ongoing plan
 - Limit to 20% of the accessible actuarial excess
 - No unfunded liability (before and after)
 - Members communication
- Plan termination
 - Members' benefits must first be paid

Disclosure

- Plan document and funding policy
- Valuation report and AIS
- Trust agreement, if applicable
- Annual statements, in case of withdrawal

FICOM's experience

- Two plans with SRAs established with separate trust funds
- Coordination of solvency funding
 - SRA and Letters of Credit

A large, light blue thought bubble with a dark blue outline, containing the text "How does it work practically?". Three smaller, light blue circles of decreasing size are positioned to the left and below the main bubble, suggesting a thought process.

How does it work
practically?