



Stakeholder Engagement - March 7, 2017



# Solvency and Funding



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# Snapshot - 2015

## DB provisions registered in BC

	Median FR	Average FR	Median SR	Average SR
191 Plans	124%	127%	85%	91%

- 75% of plan (143) have
  - funded ratio of at least 100% and
  - solvency ratio <100%

# BC Response

- October 2016 OIC
  - consolidation of all existing solvency deficiencies (fresh start)
  - 10-year amortization

# Québec

Bill 57 effective January 1, 2016:

- elimination of solvency funding
- deficits now funded over 10 years

# Québec

## Bill 57 effective January 1, 2016:

- “fresh start” at each valuation date
- transfer values are the product of
  - CIA transfer value basis and
  - lesser of 1 and plan solvency ratio

# Québec

Bill 57 effective January 1, 2016:

- addition of stabilization provision based on fixed income investment allocation
- similar to, but more stable than, BC's PfAD for TBPs

# Québec

Bill 57 effective January 1, 2016:

- restrictions on use of surplus similar to BC
- addition of “Bankers’ Clause” similar to SRA

# Québec

Bill 57 effective January 1, 2016:

- letters of credit for going concern funding
- limit on LOCs – 15% of liabilities



# Consultation

- Ontario Consultation
  - progressing
  - consultation period ended September 30, 2016
  - no information on report
- BC monitoring Québec and Ontario

# CAPSA

- Funding Review Committee
  - broad-based representation within CAPSA
  - discussion paper being prepared
  - will recommend development of an Industry Working Group

# CAPSA

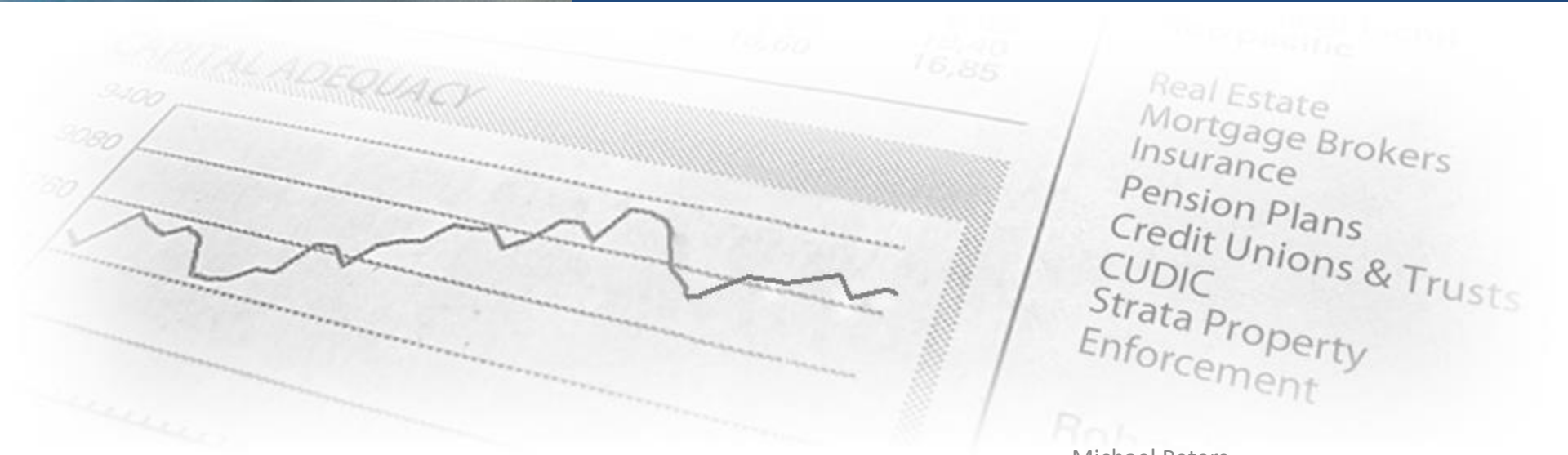
## Goal

- develop and publish recommendations for best practices related to the funding of benefits, other than defined contribution benefits, offered by registered pension plans (RPPs)



# Financial Institutions Commission

## Pensions



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