

March, 2007

The Honorable Dalton McGuinty  
Premier of Ontario  
Legislative Building  
Queen's Park  
Toronto, Ontario  
M7A 1A1

**Re: Multi-Employer Pension Plans and Ontario Pension Regulation**

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Dear Premier McGuinty:

**I am a Member of the Sheet Metal Workers Local Union 30 Pension Plan, which is a multi-employer pension plan registered in the Province of Ontario.** My Pension Plan was established in 1959 and has operated throughout more than 4 decades of economic cycles. My Plan covers approximately 2,700 Active and Deferred Vested Members and 950 Pensioners. The Plan has assets of nearly \$300 Million. When it was last valued, it had a Going Concern Surplus. Using Ontario's laws for determining "solvency", it had a solvency deficiency.

**My Pension Plan has been affected negatively by the Ontario government's solvency regulations.** The Pensions earned by my fellow working Members, and those received by our Retired brothers, are lower than what they might have been if we were not forced to fund the Plan on the basis of solvency. In the sheet metal industry, there are always employers to take over if a contributing employer ceases operations. The Plan is not affected by any single employer. As I see it, you are reducing my Pension now, in case my Pension Plan winds up. I am taking the pain now in case a made-in-Ontario make-believe disaster happens in the future.

(over, please)

**My Pension Plan's investments have performed very well.** For the year ended December 31, 2006 its return on investments was almost 12%. For the four years ended December 31, 2006 its return on investments was over 12%. Pension legislation requires my Plan to value its liabilities using low interest rate assumptions in the order of 4.75%. So, at a time when my Plan's investments are performing with strength, the Ontario government is forcing it to reduce benefits. My fellow Members and I have to continue to put more money into the Plan through our collective agreement for no other reason than to fund it on the basis of solvency. I'd rather have that money for my personal use instead of putting it into the Pension Plan if it's only used to provide for a rainy day that will not likely ever take place.

**I believe that the solvency rules should not apply to multi-employer pension plans.** The application of these rules is resulting in Plan Member dissatisfaction with the Ontario system. I know you have appointed an expert commission to review Ontario pension laws. Your government should not require any further funding for solvency of multi-employer pension plans until this commission has reported to the Government of Ontario. The Province of Alberta has taken a leadership role in reviewing pension plan solvency. Ontario should follow Alberta's lead. There is no way one province's plan members should have to reduce pensions in circumstances where, by accident of residence, others do not. Alberta has done the right thing for its pension plan members.

**I am asking you, as the Premier of Ontario, to abolish the requirement for multi-employer pension plans to achieve solvency funding requirements. There are better ways. You have lots of opportunity to explore them. Do not allow Ontario's multi-employer pension plan members (there are tens of thousands of us) to suffer more while this matter is under review by the Ontario government.**

Thank you for your consideration of this matter.

Sincerely,

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Name

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Address