

**January 2008**

Mr. H. Arthurs  
Chair  
Ontario Expert Commission On Pensions  
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Toronto ON  
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**Re: Multi Employer Pension Plans and Ontario Pension Regulation**

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Dear Mr. Arthurs,

**I am a Member of the Sheet Metal Workers Local Union 30 Pension Plan. This is a multi-employer pension plan registered in the Province of Ontario.** My Pension Plan was established in 1959 and has operated continuously throughout almost 5 decades of economic cycles. My Plan provides benefits to approximately 2,700 Active and Deferred Vested Members and 950 Pensioners including widows of Plan Members. The Plan has assets of nearly \$300 Million. **When it was last valued, at June 30, 2007, the Plan had a Going Concern Surplus of over \$45 Million. Using Ontario's laws for determining "solvency", it had a solvency deficiency of over \$43 Million.** The solvency deficiency of the Pension Plan has been the overriding concern of the Trustees and Plan Members for many years.

**My Pension Plan has been affected negatively by the Ontario government's solvency regulations.**

My Pension is lower than it could be because the Trustees of our Plan are forced to arrange the Plan's finances as if a worst case scenario, **as portrayed by the Ontario Solvency test**, was likely to happen. This legislation is causing me, and the other members of our Plan, to have lower Pensions than we could have had if Ontario's pension legislation realistically addressed the chances of our Pension Plan not being able to pay the promised Pensions. It is not possible for our Plan members to recover from the financial losses resulting from the current regulations which result in artificially low pensions.

**I appeal to the Expert Commission on Pensions to recommend that solvency funding rules not apply to multi-employer pension plans. The Trustees of our Plan inform the Members about what would happen to our Pensions if the Plan was to terminate.** This information increases my understanding about the Plan. I suggest that it is important for trustees to communicate with plan members and that this is sufficient; that reducing benefits on the chance that a remote event, as anticipated by the solvency funding rules, will take place is too drastic and results in an absolute decrease in the Pension I earn.

**Our Trustees should be able to provide realistic Pensions based on a reasonable set of financial assumptions.** If the Plan's benefits have to be reduced because the Plan cannot meet its promises based on these reasonable assumptions, the correct next step would be to reduce Pensions. I would accept that result because the reason for the decrease would be logical and based on fact.

**The original members of the Sheet Metal Workers Local 30 Pension Plan were true leaders. They wanted our membership to have a secure retirement income. The late 1950's was not a time when saving for retirement was a popular notion. The early advocates of the Local 30 Pension Plan were visionaries who fought a hard battle to convince our membership that saving for retirement was a good use of our wages.** Ontario's pension law on solvency has re-introduced divisiveness between members because some do not want to add money to the Pension Plan because they see no benefit from it – the additional monies just go to pay down the solvency debt of the Pension Plan. **The Members do not benefit from the good management of the Plan as demonstrated by the large Going Concern Surplus.**

The Expert Commission on Pensions has been given a great opportunity to re-establish confidence in the pension system in Ontario. One significant step to making me a more confident Ontario pension plan member would be the abolishment of solvency funding for my Pension Plan.

Thank you for your consideration of this matter.

Sincerely,

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Name

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Address