THE CANADIAN BAR ASSOCIATION
L'ASSOCIATION DU BARREAU CANADIEN

June 9, 2010

Jean-Claude Primeau
Director – Actuarial, Policy, and Approvals
Private Pension Plans Division
Office of the Superintendent of Financial Institutions Canada
255 Albert Street
Ottawa, ON K1A 0H2

Dear Mr. Primeau:

Re: Draft Amendment to the Directives of the Superintendent Pursuant to the *Pension Benefits Standards Act, 1985* (PBSA)

I am writing as Chair of the National Pension and Benefits Law section of the Canadian Bar Association (CBA Section) in response to the request for comments concerning the Draft Amendment to the Directives of the Superintendent Pursuant to the *Pension Benefits Standards Act, 1985* (PBSA) issued on May 18, 2010 (Draft Directives).

The CBA is a national association representing 37,000 jurists, including lawyers, notaries, law students and teachers across Canada. The Association's primary objectives include improvements in the law and in the administration of justice. The CBA Section represents lawyers who practice pensions and benefits law in various capacities from across Canada. Our members regularly advise clients regarding compliance with the requirements of the PBSA. We also represent clients during informal representations to, and more formal proceedings involving the Office of the Superintendent of Financial Institutions Canada on pension matters.

The Draft Directives set out the Superintendent's requirements concerning frequency of filing actuarial reports for federally regulated defined benefit pension plans. The Superintendent derives authority through section 12 of the PBSA and as amended by Bill C-9.

Except for designated plans, the Draft Directives require annual (instead of triennial) actuarial reports for all plans for valuations with effective dates after December 31, 2009. Plans with solvency ratios over 1.25 are excluded from this requirement.

The requirement in the Draft Directives that annual valuations be done, combined with the imposition of a solvency margin for contribution holidays would seem to provide additional security to plan members.

500-865 Carling Avenue, Ottawa, ON, Canada K1S 5S8
tel/tél : 613.237.2925 | toll free/sans frais : 1.800.267.8860 | fax/téléc : 613.237.0185 | info@cba.org | www.cba.org

However, we are concerned that conducting actuarial valuations can be costly in terms of both money and time. We suggest that the Draft Directives make an exception that annual valuations would be required for those plans with a solvency ratio of 1.00, instead of the proposed 1.25.

We would be pleased to discuss this matter with you further.

Yours very truly,

(original signed by Gaylene Schellenberg for Hugh Wright)

Hugh Wright
Chair, National Pension and Benefits Law Section