

This newsletter is published by the Canadian Association of Pension Supervisory Authorities (CAPSA) to inform interested stakeholders about cross-jurisdictional developments, initiatives and ongoing policy work in the pension sector in Canada.

Formally established in 1974, CAPSA became an incorporated body in 1999. Members of CAPSA are responsible for the administration of pension regulatory legislation in jurisdictions across Canada. Associate members include senior staff from Statistics Canada, Finance Canada and the Canada Revenue Agency.

CAPSA's mandate is to:

- promote the development of pension policy across Canada;
- promote the simplification and harmonization of pension plan regulation across Canada;
- enhance the security of the pension plan promise; and
- improve communications between pension regulators and the pension community.

This edition of the CAPSA Communiqué announces the appointment of a new CAPSA Chair, the creation of the CAPSA Stakeholder Task Force on Common Pension Standards and the release of Pension Plan Governance Frequently Asked Questions.

New Chair for CAPSA

At the 68th Semi-Annual Meeting of CAPSA on April 18th and 19th 2005, Debbie Lyon, Superintendent of Pensions, Manitoba, was appointed by the CAPSA Board of Directors as the Chair of CAPSA. Debbie will serve in this role for a two-year term. At the meeting, CAPSA members also recognized Nancy MacNeill Smith for her service as CAPSA Chair over the past two years.

CAPSA Stakeholder Task Force on Common Pension Standards

On March 8, 2005, the first meeting of the CAPSA Stakeholder Task Force on Common Pension Standards ("Stakeholder Task Force") was held in Toronto. The Stakeholder Task Force was established to assist CAPSA with the development of detailed policy statements related to the

Model Law Principles that were determined to be non-contentious following consultations in 2004. The work of the Stakeholder Task Force will support the development of harmonized legislation and regulations related to these principles.

From January until June of 2004, CAPSA consulted with pension stakeholders across Canada on the *Proposed Regulatory Principles for a Model Pension Law* discussion paper. A separate but parallel consultation was conducted in Québec during this period by the Régie des rentes du Québec. (See the CAPSA Fall 2004 Communiqué for a detailed report on the results of that consultation). Based on an analysis of the feedback from these consultations, the principles were divided into three categories: non-contentious principles, principles requiring substantial development, and highly contentious principles, each of which will be addressed separately.

The greatest number of principles, primarily those related to plan administration and minimum standards for entitlements to benefits upon termination, death or retirement, were identified as non-contentious. These principles have been modified in some cases to address stakeholder concerns and were approved by CAPSA at its Winter 2005 Conference Call meeting. At that meeting, CAPSA also approved terms of reference for a Stakeholder Task Force on Common Pension Standards that will assist with the further development of these principles into detailed policy statements that will then support the development of harmonized legislation and regulations.

The model law principles that have been approved by CASPA for further development by the Stakeholder Task Force are as follows:

Minimum Standards	Benefits	Inspections
Application of the Act	Vesting of Benefits	Rules
Registration of Pension Plans	Entitlement to Pension Benefit	Policies
Plan Amendments	50% Rule	Agreements with other Jurisdictions
Plan Administrator	Joint and Survivor Benefit	Directions of Compliance
Plan Administrators' Duties	Pre-retirement Death Benefit	Objections and Appeals
Plan Records	Portability	Appeals by Regulatory Authority
Funding of Pension Plans (principle)	Locking-In	Offences and Punishment
Investments	Pension Funds Exempt from Execution, Seizure	Regulations
Interest	Appointment of Plan Administrator	Review of the Act
Pension Fund Assets	Powers of the Regulatory Authority	
Provision of Information		
Eligibility for Membership		

The Stakeholder Task Force will be broadly representative of Canadian pension industry stakeholders and is composed of representatives nominated by the heads of pension industry stakeholder organizations. The stakeholder organizations participating on the task force and their representatives are as follows:

Association of Canadian Pension Management: Christopher Brown, Priscilla Healy
Canadian Institute of Actuaries: Anthony Benjamin, Jacques Lafrance
Canadian Labour Congress: Bob Baldwin, Darcie Beggs, Louis Erlichman, Sym Gill
Canadian Life and Health Insurance Association: Marie-Chantal Cloutier, Hugh Kerr
Multi-Employer Benefit Council of Canada: Cameron Hunter, Joan Tanaka
Ontario Bar Association, Pension and Benefits Section: Simon Archer, Mark Rowbotham

The Stakeholder Task Force will work under the direction of a CAPSA Model Law Committee Task Force (CAPSA Task Force) chaired by Nurez Jiwani, Director of Regulatory Coordination at the Financial Services Commission of Ontario.

At the initial meeting of the Stakeholder Task Force on March 8, 2005 in Toronto, a work plan was developed that divides the development of the common standards into two phases. The first phase will focus on responding to issues identified by CAPSA that arose from the consultation in 2004 and should be completed prior to the Fall meeting of CAPSA in October 2005. The second phase is targeted for completion in the spring of 2006.

Pension Plan Governance Frequently Asked Questions (FAQ)

When CAPSA released *Guideline No. 4: Pension Plan Governance Guidelines and Self-assessment Questionnaire* (the "Governance Guidelines") in October 2004, a commitment was made to develop a series of frequently asked questions and responses that would provide pension plan administrators with general guidance, additional clarification and examples related to the Governance Guidelines. CAPSA is pleased to announce the release of version one of the *CAPSA Pension Plan Governance Frequently Asked Questions*. The document contains seven questions and responses related to five of the principles in the Governance Guidelines.

It is CAPSA's intent that the FAQ will be a living document that can be updated periodically to respond to questions received by CAPSA related to the Governance Guidelines. Responses will be developed with the assistance of the CAPSA Pension Plan Governance Industry Task Force. Pension Plan Administrators with questions related to the Governance Guidelines are encouraged to contact the CAPSA Secretariat. Copies of the FAQ are available on the CAPSA website (www.capsa-acor.org) under "Policies and Guidelines".

Contact Us

Questions regarding this Communiqué or general inquiries regarding the Canadian Association of Pension Supervisory Authorities should be referred to the CAPSA Secretariat.

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