

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36,  
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS  
CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS  
CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC. INITIUM COMMERCE LABS  
INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC.,  
173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA  
INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886  
CANADA INC., and 3339611 CANADA INC.

(each, an “**Applicant**”, and collectively, the “**Applicants**”)

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**MOTION RECORD OF THE PENSION PLAN ADMINISTRATOR  
AND THE SUPERINTENDENT  
(re Pension Plan Deemed Trust)**

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Dated: August 24, 2018

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TO: **SERVICE LIST**

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# TAB 1

Court File No. CV-17-11846-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SEARS CANADA INC., 9370-2751 QUÉBEC INC., 191020 CANADA INC., THE CUT INC., SEARS CONTACT SERVICES INC., INITIUM LOGISTICS SERVICES INC. INITIUM COMMERCE LABS INC., INITIUM TRADING AND SOURCING CORP., SEARS FLOOR COVERING CENTRES INC., 173470 CANADA INC., 2497089 ONTARIO INC., 6988741 CANADA INC., 10011711 CANADA INC., 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD., 4201531 CANADA INC., 168886 CANADA INC., AND 3339611 CANADA INC.

Applicants

**AMENDED NOTICE OF MOTION**  
**(re Pension Plan Deemed Trust)**

**TAKE NOTICE** that Morneau Shepell Ltd., in its capacity as Administrator for the Sears Canada Inc. Registered Retirement Plan (“**Morneau Shepell**” or the “**Plan Administrator**”) and the Superintendent of Financial Services in his capacity as Administrator of the Pension Benefits Guarantee Fund (the “**Superintendent**”), will make a motion to a Judge of the Commercial List on a date to be scheduled with the Court at 330 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order ~~substantially in the form attached to the Motion Record, *inter alia*:~~
  - (a) if necessary, abridging the time for service of this Notice of Motion and the Motion Record, validating the manner of service and dispensing with any further service thereof;
  - (b) declaring that subject to the allocation and application of the charges imposed by this Court by the terms of the Initial Order dated June 22, 2017, as amended (the “**Initial Order**”) and any other Orders in this proceeding:
    - (i) Sears Canada Inc. (“**SCI**”) is deemed to hold all assets and proceeds therefrom (the “**SCI Proceeds**”) up to the amount due by it in respect of the wind-up of the Sears Canada Inc. Registered Retirement Pension Plan (the “**Pension Plan**”) as determined in the actuarial wind up report, in trust for the beneficiaries of the Pension Plan (hereinafter, such amount shall be referred to as the “**Wind-Up Deficiency**”, ~~and such assets and proceeds therefrom shall be referred to as the “**Proceeds**”~~);
    - (i.1) 9370-2751 Québec Inc. (formerly Corbeil Électrique Inc.) (“**Corbeil**”) and 191020 Canada Inc. (formerly SLH Transport Inc.) and 168886 Canada Inc. (collectively, “**SLH**”), are jointly and severally liable for the **Wind-Up Deficiency** and Corbeil and SLH are deemed to hold all assets and proceeds therefrom (the “**Corbeil/SLH Proceeds**”) up to the

amount of the Wind-Up Deficiency in trust for the beneficiaries of the Pension Plan;

- (ii) Morneau Shepell has a lien and charge attached to the SCI Proceeds and the Corbeil/SLH Proceeds (collectively, the "Proceeds") as security for the amounts due to the Pension Plan by SCI, Corbeil and SLH (collectively, the "Employers") ~~SCI~~;
  - (iii) the Superintendent has a lien and charge attached to the Proceeds as security for any funds that are paid out of Ontario's Pension Benefit Guarantee Fund (the "**PBGF**") in respect of the Wind-Up Deficiency; and
  - (iv) ~~declaring~~ that such claims in respect of the Wind-Up Deficiency have priority to the claims of all other creditors of the Employers ~~SCI~~, and that the Proceeds up to the amounts due to the Pension Plan by the Employers ~~SCI~~ are not distributable to such other creditors;
- (c) directing ~~SCI~~ the Employers, or FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the "Monitor") of the Applicants, as applicable, to hold the Proceeds in trust ~~eserew~~ pending the determination of the Wind-Up Deficiency, free from any encumbrances, and, upon such determination, to remit the Proceeds to the Plan Administrator, in trust, for deposit into the Pension Plan subject to the payment of such costs and expenses to complete these CCAA proceedings to be approved by the Court;



- (d) declaring that the granting of the relief sought does not preclude the moving parties from asserting a similar deemed trust and related statutory liens and charges as against assets and proceeds held by other Applicants in the event any such Applicants are determined to be jointly and severally or otherwise liable to the Pension Plan in respect of the Wind-Up Deficiency or any part thereof;
  - (e) lifting the stay of proceedings, if necessary, to allow any of the foregoing relief to be granted; and
  - (f) declaring that the foregoing relief will survive any future bankruptcy or receivership of any of the Employers SGI; and
2. Such further and other relief as counsel may request and this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

**A. *The CCAA Restructuring Attempt and Subsequent Liquidation***

- 1. On June 22, 2017, this Court issued the Notice of Application and Initial Order commencing these proceedings.
- 2. The Initial Order created various super-priority charges in respect of the cost of administering these proceedings (the “**Administration Costs**”).
- 3. The Initial Order did not stay regulatory action by the Superintendent.
- 4. In mid-July, this Court approved a two track process:

- (a) a sale and investment solicitation process having a bid deadline of August 31, 2017 (the “**SISP**”); and
- (b) a process for the liquidation of inventory and furniture, fixtures and equipment at 59 locations scheduled for closure (the “**Initial Liquidation**”).

5. The SISP did not generate a comprehensive going concern restructuring solution, and by October 2017, SCI and the Monitor publicly repositioned these proceedings as a liquidation of SCI’s assets through several lease monetization transactions, the sale of certain owned real estate, and the liquidation of inventory, furniture, fixtures and equipment at its retail locations (together with the Initial Liquidation, the “**Liquidation**”).

6. By the end of January 2018, the Liquidation was substantially complete, but for various real estate holdings of uncertain value. The assets of Corbeil and SLH were marketed separately and sold on November 25, 2017 and December 4, 2017, respectively.

7. ~~As a result of the Liquidation, SCI had a cash balance of \$134.7 million as of July 14, 2018.~~ There are no other secured creditors remaining. The information provided to the Court demonstrates that there is no basis to substantively consolidate the estates of SCI, Corbeil or SLH. The Monitor has undertaken to report to the Court in advance of the hearing of this motion as to the Proceeds available for distribution to creditors under various scenarios, including if the Court grants the declaratory relief sought herein

***B. The Wind-Up of the Pension Plan***

8. The Superintendent is the Chief Executive Officer of the Financial Services Commission of Ontario (“**FSCO**”), responsible for the general supervision of pension plans in Ontario. The Superintendent exercises the powers and duties conferred upon him under

the *Financial Services Commission of Ontario Act, 1997*, S.O. 1887, c. 28, as amended (“**FSCO Act**”) and under the *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (“**PBA**”). By virtue of the PBA, the FSCO Act and various inter-provincial accords, the Superintendent has principal regulatory jurisdiction for the Pension Plan for the benefit of all Pension Plan members, including those residing in other parts of Canada.

9. The PBGF is a fund continued under the PBA. Payments are made from the PBGF to certain wound up pension plans to fund certain pension benefit entitlements where an employer is unable to satisfy the funding requirements of the PBA and its regulations. Under section 82(2) of the PBA, the Superintendent is responsible for the administration of the PBGF.

10. Following the failure of the SISF and the commencement of the Liquidation, the Superintendent, as the principal regulator of the Pension Plan, took the following regulatory actions:

- (a) on or about October 17, 2017, the Superintendent appointed Morneau Shepell as the replacement Plan Administrator; and,
- (b) on November 10, 2017, the Superintendent issued and served a Notice of Intended Decision indicating that the Pension Plan was to be wound-up effective October 1, 2017, but with such wind-up to include all members of the Plan whose employment was terminated on or after June 13, 2017 (the “**NOID**”).

11. All key creditor constituencies in these proceedings were on notice of the NOID and were given an opportunity to object.

12. A group of creditors objected to the NOID on various grounds, including that the regulation of the wind-up of the Pension Plan should be subject to the CCAA stay of proceedings (the “**Objection**”).

13. The Objection was subsequently withdrawn and, on March 29, 2018, the Superintendent issued an order directing the wind-up of the Pension Plan on the terms contemplated by the NOID (the “**Wind-Up Order**”).

14. The Wind-Up Order is a final order.

### ***B.1 Corbeil and SLH are Participating Employers***

14.1 The Pension Plan permits other employers designated by SCI to participate in the Pension Plan. Employees of Corbeil and SLH participated in the Pension Plan.

14.2 The terms of the Pension Plan require that employers under the Pension Plan contribute to provide for the proper amortization of any unfunded liability or solvency deficiency in accordance with applicable pension benefits legislation. Additionally, upon termination, employers under the Pension Plan are responsible for contributing the amount of the pension deficiency on wind up under the terms of any applicable pension benefits legislation which provide for guaranteed benefits in the event of plan termination.

14.3 The Pension Plan does not limit the responsibility of an individual employer (such as SCI, Corbeil or SLH) to the liability which relates to its individual employees, nor are contributions from each Employer kept separate and apart for employees of such Employer.

### ***C. The Pension Claims Process***

15. This Court has made orders providing for the treatment of claims in these CCAA proceedings. On February 22, 2018, this Court approved a process for the proof of claims

in respect of the Pension Plan (the “**Pension Claim Procedure**”), including the following claims in respect of the Wind-Up Deficiency in the Pension Plan, in whole or in part (collectively, “**Sears Pension Claims**”):

- (a) a claim by the Plan Administrator;
- (b) a claim by the Court-appointed representatives of the beneficiaries of the Pension Plan (the “**Pensioner Representatives**”); and,
- (c) a claim by the Superintendent in respect of amounts to be paid by the PBGF.

16. In accordance with the Pension Claim Procedure:

- (a) the Plan Administrator filed a claim in respect of the Wind-Up Deficiency in the Pension Plan in the estimated amount of approximately \$260 million, in respect of which the Plan Administrator claimed a lien pursuant to s. 57(5) of the PBA, and a deemed trust pursuant to s. 57(4) of the PBA;
- (b) the Pensioner Representatives also filed a claim in respect of the Wind-Up Deficiency in the Pension Plan in the estimated amount of approximately \$260 million, in respect of which the Pensioner Representatives claimed a deemed trust pursuant to s. 57(4) of the PBA; and,
- (c) the Superintendent filed a subrogated claim in respect of the liability of the PBGF, in the estimated amount of approximately \$125 million, in respect of which the Superintendent claimed a lien pursuant to s. 86 of the PBA, as well as subrogated rights under ss. 57(5) and 57(4) of the PBA.

17. The deemed trust and lien provisions of the PBA and other applicable provincial pension legislation remain valid in CCAA proceedings and in bankruptcy.
18. The Pension Claim Procedure contemplates that the Monitor will give written notice to each of the Plan Administrator, counsel to the Pensioner Representatives, and the Superintendent, of any determination by the Monitor, including as to quantum and/or priority, of any Sears Pension Claim.
19. The Pension Claim Procedure does not specify a time within which disallowances in respect of the Sears Pension Claims must be given, or to whom appeals from disallowances are to be taken.
20. To date, the Monitor has not issued a disallowance in respect of the Sears Pension Claims.
21. With each passing day, the costs associated with administration of the ~~Sears Canada~~ Applicants' estates are mounting, and eroding the interests of the Plan Administrator, Pensioner Representatives and Superintendent in the Proceeds.
22. It is just and equitable that the claim to the Proceeds in respect of the Sears Pension Claims be determined at this time.
23. PBA, ss. 1, 55, 56, 57, 58, 66, 69, 75, 82, 83, 84 and 86 and the analogous sections in the pension legislation of other Provinces.
24. FSCO Act, s. 5.
25. CCAA, s. 11.

26. *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, ss. 2, 30(1), 40, 67(1)(a),(b),(2),(3), 69(3), 71, 72(1).

27. *Pension Benefits Standards Act, 1985*, R.S.C. 1985, c. 32 (2<sup>nd</sup> Supp), as amended, ss. 2, 8, 29(6).

27.1 *Legislation Act, 2006*, S.O. 2006, c. 21, Sched. F., s. 67.

27.2 *Interpretation Act*, R.S.C., 1985, c. I-21, s. 33 and the analogous sections in the interpretation acts of the Provinces.

28. *Rules of Civil Procedure*, Rules 2.03, 3.02, 16.08 and 37.

29. The 2016 Agreement Respecting Multi-Jurisdictional Pension Plans between British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan, the 1968 Memorandum of Reciprocal Agreement (~~as between the pension regulatory authorities for all provinces except PEI~~), the 1968 Memorandum of Reciprocal Agreement (as between the Pension Commission of Ontario and the Minister of Finance of Canada), together with mirroring deemed trust and lien provisions in the pension statutes of the other Provinces.

30. Such further and other grounds to which counsel for the moving parties may refer and of which this Court will take notice.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used on the hearing of the motion:

1. affidavit evidence, to be filed, including the Affidavit of Hamish Dunlop (Deemed Trust), the Affidavit of Hamish Dunlop (Advice and Directions re Spousal Waivers)

each affirmed on August 24, 2018 and the Affidavit of Brian Mills sworn on August 24, 2018;

2. the Orders previously granted by the Court in these proceedings;
3. the Reports of FTI Consulting Canada Inc., as Monitor, delivered in these CCAA proceedings, including the Sixteenth Report of the Monitor dated April 2, 2018; and
4. such further or other material as counsel may advise and this Honourable Court permit.

~~July 23~~August 24, 2018

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Benefits Guarantee Fund

**TO: THE SERVICE LIST**



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

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**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**AMENDED NOTICE OF MOTION  
(re Pension Plan Deemed Trust)**

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# TAB 2

Court File No. CV-17-11846-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF SEARS CANADA INC, 9370-2751 QUÉBEC INC, 191020 CANADA INC,  
THE CUT INC, SEARS CONTACT SERVICES INC, INITIUM LOGISTICS  
SERVICES INC, INITIUM COMMERCE LABS INC, INITIUM TRADING AND  
SOURCING CORP, SEARS FLOOR COVERING CENTRES INC, 173470  
CANADA INC, 2497089 ONTARIO INC, 6988741 CANADA INC, 10011711  
CANADA INC, 1592580 ONTARIO LIMITED, 955041 ALBERTA LTD,  
4201531 CANADA INC, 168886 CANADA INC, AND 3339611 CANADA INC

(each, an "**Applicant**", and collectively, the "**Applicants**")

**AFFIDAVIT OF HAMISH DUNLOP**

**(Deemed Trust)**

**(Affirmed August 24, 2018)**

I, Hamish Dunlop, of the City of Toronto in the Province of Ontario, solemnly affirm as follows:

1. I am a Managing Principal at Morneau Shepell Ltd., the administrator for the Sears Canada Inc. ("**Sears Canada**") registered retirement plan ("**Morneau Shepell**" or the "**Plan Administrator**"). I am responsible for fulfilling Morneau Shepell's duties as Plan Administrator. As such, I have personal knowledge of the matters to which I depose in this Affidavit, or where my knowledge is based upon information and belief, I refer to the sources of that information, and believe it to be true.

**Overview**

2. I affirm this affidavit in support of the Plan Administrator's joint amended notice of motion with the Superintendent of Financial Services (the "**Superintendent**") in his capacity

as Administrator of the Pension Benefits Guarantee Fund (“**PBGF**”) for an order granting relief including, but not limited to:

- (a) a declaration that, subject to the allocation and application of the charges imposed by the Ontario Superior Court of Justice [Commercial List] (the “**Court**”) by the terms of the initial order issued by the Court on June 22, 2017, as amended (the “**Initial Order**”) and any other orders in this proceeding:
  - (i) Sears Canada is deemed to hold all assets and proceeds therefrom (the “**SCI Proceeds**”) up to the amount due by it in respect of the wind-up of the Sears Canada Inc. Registered Retirement Pension Plan, Registration No. 0360065 (the “**Pension Plan**”) as determined in the actuarial wind up report, in trust for the beneficiaries of the Pension Plan (the “**Wind-Up Deficiency**”);
  - (ii) 9370-2751 Québec Inc. (formerly Corbeil Électrique Inc.) (“**Corbeil**”) and 191020 Canada Inc. (formerly SLH Transport Inc.) and 168886 Canada Inc. (collectively, “**SLH**”) are jointly and severally liable for the Wind-Up Deficiency and are deemed to hold all assets and proceeds therefrom (the “**Corbeil/SLH Proceeds**”) up to the amount of the Wind-Up Deficiency in trust for the beneficiaries of the Pension Plan;
  - (iii) Morneau Shepell has a lien and charge attached to the SCI Proceeds and the Corbeil/SLH Proceeds (collectively, the “**Proceeds**”) as security for the amounts due to the Pension Plan by Sears Canada, Corbeil and SLH (collectively, the “**Employers**”);

- (iv) the Superintendent has a lien and charge attached to the Proceeds as security for any funds that are paid out of the PBGF in respect of the Wind-Up Deficiency; and
  - (v) that such claims in respect of the Wind-Up Deficiency have priority to the claims of all other creditors of the Employers, and that the Proceeds up to the amounts due to the Pension Plan by the Employers are not distributable to such other creditors;
- (b) a direction to the Employers, or FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”) of the Applicants, as applicable, to hold the Proceeds in trust pending the determination of the Wind-Up Deficiency, free from any encumbrances, and, upon such determination, to remit the Proceeds to the Plan Administrator, in trust, for deposit into the Pension Plan subject to the payment of such costs and expenses to complete these CCAA proceedings to be approved by the Court;
- (c) a declaration that the granting of the relief sought does not preclude the moving parties from asserting a similar deemed trust and related statutory liens and charges as against assets and proceeds held by other Applicants in the event any such Applicants are determined to be jointly and severally or otherwise liable to the Pension Plan in respect of the Wind-Up Deficiency or any part thereof;
- (d) lifting the stay of proceedings, if necessary, to allow any of the foregoing relief to be granted; and

(e) declaring that the foregoing relief will survive any future bankruptcy or receivership of any of the Employers.

3. I affirm this affidavit to provide the Court with information relating to the Pension Plan, its beneficiaries, the deemed trust and the lien and charge claimed by the Plan Administrator over the Proceeds of the liquidation of Sears Canada and certain other of the Applicants as a result of their joint and several obligations under the Pension Plan, among other things.

### **Background**

4. Morneau Shepell is the largest administrator of retirement and benefits plans in Canada. Established in 1966, Morneau Shepell serves approximately 20,000 clients, ranging from small businesses to some of the largest corporations and associations. With more than 4,000 employees in offices across North America, Morneau Shepell provides services to organizations across Canada, in the United States and around the globe. Morneau Shepell has been involved in many of the most significant pension cases in Canada.

5. Morneau Shepell was appointed to take over from Sears Canada as administrator of the Pension Plan effective October 16, 2017. As Plan Administrator, Morneau Shepell has a fiduciary duty to act in the best interests of Pension Plan beneficiaries across the country.

6. Morneau Shepell's focus in this CCAA proceeding is to protect the interests of the Pension Plan beneficiaries and to ensure that the claims of these beneficiaries against Sears Canada and other Applicants (the "**Sears Canada Entities**"), specifically including Corbeil and SLH, are fully and properly advanced. Morneau Shepell takes very seriously its fiduciary obligation to assert the rights of pensioners.

7. In my role at Morneau Shepell, I am familiar with the federal and provincial legislation and regulatory regime regarding Canadian pension plans. In bringing this motion, Morneau Shepell relies upon provisions of the Ontario *Pension Benefits Act* (the “PBA”), other Canadian pension legislation, the 2016 agreement respecting multi-jurisdictional pension plans (the “**2016 Agreement**”), and the 1968 memoranda of reciprocal agreements (the “**1968 Agreements**”). Attached as Exhibits “A” and “B” are true copies of the 2016 Agreement and the 1968 Agreements, respectively.

#### **Estimated Proceeds Available for Distribution to Creditors**

8. The Monitor has reported to the Court that the realizations of the assets of the Sears Canada Entities are largely complete (but for the remaining real estate portfolio). I am advised by Blake, Cassels & Graydon LLP, counsel to the Plan Administrator, that the Monitor has undertaken to report to the Court in advance of the hearing of this motion as to proceeds available for distribution to creditors from each of these estates under various scenarios, including if the Court grants the relief sought in this motion with respect to the deemed trust asserted by the Plan Administrator and the joint and several liability of Sears Canada, Corbeil and SLH for the Wind-Up Deficiency.

#### **Sears Canada Pension Plan and Participating Employer Obligations**

##### ***(a) Establishment and Administration of the Pension Plan***

9. Sears Canada established a pension plan to provide retirement benefits for eligible employees regardless of their province of residence. At present, there are approximately 19,591 members of the Pension Plan. Attached as Exhibit “C” is a true copy of the Pension Plan.

10. From its inception until Morneau Shepell's appointment in October 2017, Sears Canada was the administrator of the Pension Plan, as required by the Ontario *Pension Benefits Act* (the "**PBA**"). In that role, Sears Canada had oversight for the funding and management of the Pension Plan.

**(b) Funding of the Pension Plan**

11. The Pension Plan contains both a defined benefit component (the "**DB Component**") and a defined contribution component (the "**DC Component**"). The DB Component of the Pension Plan operates by establishing a formula pursuant to which a monthly pension benefit is calculated at the time of the retirement of an employee. The DC Component operates similarly to contributions to registered retirement savings plans, with the relevant Employers making fixed contributions for each employee as a percentage of employees' pay to an account. The Employer's contributions are fixed in respect of the DC Component. Therefore, no actuarial reports are required in respect of the DC Component of the Pension Plan.

12. For all employees of Sears Canada and certain of the Sears Canada Entities, including Corbeil and SLH, who regularly contributed a portion of their pay to the Pension Plan, the effect was to reduce their available registered retirement savings plan contribution limits.

13. Since 2007, there has been a wind-up funding deficit in the Pension Plan, meaning there were (and are at present) insufficient assets in the pension fund to pay all monthly pension benefits in the full amounts earned by each employee on retirement. At present, the Wind-Up Deficiency has been calculated as approximately \$260,200,000, but the exact Wind-Up Deficiency cannot be known until the final actuarial analysis and deficit calculation are complete, as discussed further below. Additionally, the Wind-Up Deficiency could exceed



\$290,000,000, depending on the Court's directions in respect of the joint and spousal waiver forms (the "**Spousal Waivers**") as discussed in greater detail in my concurrent affidavit in support of the Plan Administrator's motion for advice and directions as to whether the Plan Administrator may accept the Spousal Waivers as valid notwithstanding they do not comply in all respects with relevant provincial pension legislation.

**(c) Participating Employers**

14. Both Corbeil and SLH are participating employers under the Pension Plan. The existence of participating employers in Canadian pension plans is a prevalent model. In my experience, employers often utilize such a model to access accumulated defined benefit surpluses for the benefit of affiliated employers where benefits are provided on either a defined benefit or defined contribution basis.

15. Canadian pension legislation clearly provides alternative structures. An employer seeking to avoid joint and several liability with other employers can establish a separate pension plan or a multi-employer pension plan. Notably, in the context of multi-employer pension plans with limited liability, there is no PBGF coverage. PBGF coverage is only available to single employer pension plans (such as the Pension Plan in this case).

16. The Pension Plan permits other employers designated by Sears Canada to participate in the Pension Plan. As at September 30, 2017, 92 employees of Corbeil (in Ontario and Quebec) participated in the DC Component of the Pension Plan. As at September 30, 2017, employees of SLH participated in the Pension Plan as follows: at least 90 employees in the DB Component; at least 47 employees in the DC Component; and at least an additional 161 employees in both the DB Component and DC Component. All of SLH's employees are subject to federal pension legislation. Morneau Shepell continues to investigate other SLH

employees and retirees who may have DB Component benefits under the Pension Plan and expects to find additional beneficiaries. While the Plan Administrator has not been able to obtain a copy of any written designation by Sears Canada, the Pension Plan has operated with the participation of Corbeil and SLH as “designated employers”.

17. Morneau Shepell is aware that pay stubs sent to employees of Corbeil and SLH who participated in the Pension Plan showed Sears Canada as the payor. Additionally, statements for both the DB Component and DC Component of the Pension Plan that were sent to employees, including those employed by Corbeil and SLH, named only Sears Canada.

18. The terms of the Pension Plan require that employers under the Pension Plan contribute to provide for the proper amortization of any unfunded liability or solvency deficiency in accordance with applicable pension benefits legislation. Additionally, upon termination, employers under the Pension Plan are responsible for contributing the amount of the pension deficiency on wind up under the terms of any applicable pension benefits legislation which provide for guaranteed benefits in the event of plan termination.

19. The Pension Plan does not limit the responsibility of an individual employer (such as Corbeil or SLH or Sears Canada) to the liability which relates to its individual employees, nor are contributions from each Employer kept separate and apart for those employees of such Employer. Consequently, all of the participating employers under the Pension Plan, including Corbeil and SLH, are jointly and severally liable for claims in respect of the Wind-Up Deficiency, not only that amount of the Wind-Up Deficiency which may be attributable to their employees.

20. I have reviewed the 2010 Actuarial Report for the Pension Plan prepared by AON Hewitt (the “**2010 Actuarial Report**”) and note that: (a) with respect to the DB Component of the Pension Plan, the Employers made no contributions from 2008 to 2010; and (b) with respect to the DC Component of the Pension Plan, the Employers made no contributions in 2008 and 2009. This is known as a “contribution holiday” where an employer is not required to contribute to a pension plan for a set period of time. Attached as Exhibit “**D**” is a true copy of the 2010 Actuarial Report.

21. The Pension Plan appears to permit contribution holidays. The effect of the contribution holiday declared by Sears Canada in 2009 was to benefit all participating employers of the Pension Plan, including those who participated only in the DC Component of the Pension Plan. The Pension Plan creates one fund and does not distinguish between employers in the DB Component or DC Component. Notwithstanding that the employers in the DC Component did not make any contribution to the surplus in the Pension Plan (as a defined contribution plan, by its very nature, cannot have a surplus), these surplus funds were used to fund employer contributions to both the DB Component and the DC Component as noted above.

22. Following Sears Canada’s declaration of the contribution holiday, at least one retiree, Ken Eady, wrote to Sears Canada expressing concern with the contribution holiday as well as the way in which the DB Component of the Pension Plan was being funded. Mr. Eady specifically requested that Sears Canada immediately cease moving funds from the DB Component to the DC Component of the Pension Plan. Sears Canada responded to this correspondence by advising that “[t]he matter of the company’s contributions being made from the Defined Benefit Plan to the Defined Contribution Plan has been reviewed and discussed at the Board level and the company’s position is that it will continue to make such

transfers, as they are in compliance with the plan and the law". Attached as Exhibit "E" are true copies of the letter from Mr. Eady and the response from Sears Canada both provided to me by Mr. Eady.

### Beneficiaries of the Pension Plan

23. As referenced above, there are approximately 19,591 members of the Pension Plan. The average age of retirees and survivors is 77.92. As at July 31, 2018 (prior to the reductions in benefits discussed further below), the average gross annual pension amount received by members of the Pension Plan was \$5,552.34. Additionally, 94% of retirees of all Sears Canada Entities receive a gross annual pension of less than \$20,000 (prior to the reductions in benefits, if applicable, discussed further below).

24. A summary of the Pension Plan provisions, including the benefits and entitlements of Pension Plan members, is included at Appendix F of the 2015 Actuarial Report prepared by AON Hewitt (the "2015 Actuarial Report"). Attached as Exhibit "F" is a true copy of the 2015 Actuarial Report.

25. The following chart summarizes the geographic distribution of Pension Plan members as well as their entitlements to the DB Component and DC Component of the Pension Plan:

Status	Member Benefit Provision	British Columbia	Alberta	Sask	Manitoba	Ontario	Quebec	NF & L	New Brunswick	PEI	Nova Scotia	Federal	Unknown	Total
Not Retired	DB	131	137	82	63	870	333	16	33	5	70	50	34	1,824
	DB/DC	197	169	41	57	1,369	576	27	33	0	63	167	0	2,699
	DC	201	134	70	433	1,039	387	16	25	7	38	55	0	2,405
	Total	529	440	193	553	3,278	1,296	59	91	12	171	272	34	6,928
Retired	DB	1,229	985	721	355	5,940	2,259	81	280	6	353	245	0	12,454
	DB/DC	17	21	8	6	88	54	0	8	0	1	6	0	209
	DC	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	1,246	1,006	729	361	6,028	2,313	81	288	6	354	251	0	12,663
Total	DB	1,360	1,122	803	418	6,810	2,592	97	313	11	423	295	34	14,278
	DB/DC	214	190	49	63	1,457	630	27	41	0	64	173	0	2,908
	DC	201	134	70	433	1,039	387	16	25	7	38	55	0	2,405
	Total	1,775	1,446	922	914	9,306	3,609	140	379	18	525	523	34	19,591

26. On May 31, 2018, Morneau Shepell provided an actuarial opinion as at October 1, 2017 (the “**Actuarial Opinion**”). The Actuarial Opinion indicated that approximately 58% of the Wind-Up Deficiency relates to Ontario members and the remaining 42% relates to (and will be borne by) members in all other provinces. Attached as Exhibit “**G**” is a true copy of the Actuarial Opinion.

### **Current Status of the Pension Plan**

27. On November 10, 2017, the Superintendent issued and served a Notice of Intended Decision (the “**Notice**”) indicating that the Pension Plan was to be wound up effective October 1, 2017, with such wind-up including all Pension Plan members whose employment was terminated on or after June 13, 2017. Attached as Exhibit “**H**” is a true copy of the Notice.

28. All key creditor constituencies were on notice of these dates and had an opportunity to object. Although one creditor group objected to the Notice and submitted a request for a hearing, the objection and request were subsequently withdrawn and the Superintendent issued an order dated March 29, 2018 (the “**Wind-Up Order**”), that the Pension Plan be wound-up effective October 1, 2017, such wind up to include all Pension Plan members whose employment was terminated on or after June 13, 2017. Attached as Exhibit “**I**” is a true copy of the Wind-Up Order.

#### **(a) *The Wind-Up Deficiency and the Plan Administrator’s Proof of Claim***

29. The Plan Administrator has asserted a claim in the approximate amount of \$260,200,000 against the Sears Canada Entities. This amount represents the estimated Wind-Up Deficiency of the Pension Plan. Attached as Exhibit “**J**” is a true copy of the proof of claim filed by the Plan Administrator in the claims process of the Sears Canada Entities.

30. The methodology giving rise to the Plan Administrator's claim in respect of the Pension Plan is prescribed by a claims procedure order with respect to employees' and retirees' claims issued by the Court on February 22, 2018. As noted earlier in this affidavit, the exact quantum of the Wind-Up Deficiency will not be known until final deficit calculations are complete.

31. The Plan Administrator has discovered an issue with respect to the Spousal Waivers that were used by Sears Canada (as previous administrator of the Pension Plan) in certain provinces over a period of many years, which did not comply in all respects with the applicable form of the relevant province. While the Plan Administrator continues to investigate this issue, current estimates suggest that it may result in an increase of the estimated Wind-Up Deficiency in the range of \$32 million, if the Plan Administrator is unable to rely on the existing Spousal Waivers. Concurrent with this joint motion, the Plan Administrator is seeking advice and directions from the Court as to whether or not it can accept the Spousal Waivers that were signed by beneficiaries in provinces outside of Ontario as valid notwithstanding they do not comply in all respects with relevant provincial pension legislation.

**(b) *Reduced Benefits and the PBGF***

32. Given the available Proceeds of Sears Canada, Corbeil and SLH, the Wind-Up Deficiency will not be satisfied even if the deemed trust and joint and several liability claims to such Proceeds prevail. This has resulted in immediate hardship to the Pension Plan members. Retirees with DB Component entitlements have experienced significant reductions to their monthly pension benefits as a result of the underfunding of the Pension Plan, which reductions began with the August 2018 payments from the Pension Plan. These

reductions result in an immediate 30% loss of monthly pension benefits for Pension Plan members outside of Ontario. For members in Ontario, the Plan Administrator's view is that some of these members are fully covered by the PBGF, discussed in greater detail below. Therefore, there has been no immediate reduction to benefits paid to those members.

33. The PBGF is a fund established under the *PBA* to ensure that a minimum pension benefit is paid to Ontario plan members of certain types of defined benefit pension plans, including the Pension Plan, if these plans are wound up with insufficient funds.

34. While the PBGF provides some relief to Pension Plan members who reside in Ontario (where benefits are less than the PBGF limit), this only accounts for approximately 58% of the Pension Plan members. Pension Plan members resident in other jurisdictions in Canada (or subject to federal jurisdiction) have no such fund to rely upon and will bear directly the shortfall in their pension benefits as a result of the Wind-Up Deficiency not being paid in full.

35. On June 5, 2018, the Plan Administrator submitted an application to the Superintendent to have the PBGF declared to apply to the Pension Plan (the "**PBGF Application**"). Attached as Exhibit "**K**" is a true copy of the PBGF Application.

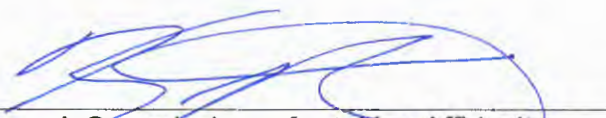
36. The effect for Pension Plan members in Ontario (who receive defined benefit entitlements) if the PBGF Application is allowed will be to "top up" the unfunded portion of the first \$1,500 of monthly pension income to Pension Plan members in Ontario. For example, if the Pension Plan member is entitled to a pension of \$2,000 per month and the Pension Plan is only 75% funded on wind up, the first \$1,500 is fully guaranteed (75% of the first \$1,500 equal to \$1,125 is funded from the Pension Plan and \$375 is funded from the PBGF). The Pension Plan member would also receive 75% of the remaining \$500 for a total of \$1,875 per month. A non-Ontario member of the Pension Plan would only receive \$1,500 per month.

**Conclusion**

37. The Plan Administrator has brought this motion to protect the interests of the beneficiaries of the Pension Plan and to fulfill its fiduciary duty to them. The Plan Administrator is entitled to assert a deemed trust and statutory lien and charge over the Proceeds in order to minimize the impact of the Wind-Up Deficiency on this vulnerable group.

38. I affirm this affidavit in support of the Plan Administrator's joint amended notice of motion in these proceedings and for no other or improper purpose.

AFFIRMED BEFORE ME at the City of Toronto, Province of Ontario this 24<sup>th</sup> day of August, 2018

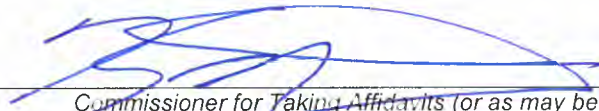
  
\_\_\_\_\_  
A Commissioner for taking Affidavits  
(or as the case be)  
KIRAN PATEL

}   
\_\_\_\_\_  
HAMISH DUNLOP



# TAB A

This is **Exhibit "A"** referred to in the  
Affidavit of Hamish Dunlop affirmed August 24, 2018



Commissioner for Taking Affidavits (or as may be)

KIRAN PATEL

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

**The signatories of this Agreement are as follows:**

**The governments of**

**BRITISH COLUMBIA, herein acting and represented by the Minister of Finance;**

**NOVA SCOTIA, herein acting and represented by the Minister of Finance and Treasury Board;**

**ONTARIO, herein acting and represented by the Minister of Finance;**

**QUEBEC, herein acting and represented by the Minister of Finance and the Minister responsible for Canadian Relations and the Canadian Francophonie; and**

**SASKATCHEWAN, herein acting and represented by the Minister of Justice and Attorney General.**

## RECITALS

- I. Each signatory to this Agreement represents a legislative jurisdiction in Canada and is authorized by the laws of the signatory's jurisdiction to sign this Agreement.
- II. A pension plan may be subject to the pension legislation of more than one jurisdiction and may be subject to the supervision of more than one jurisdiction's pension supervisory authority, by reason of the nature or place of the plan members' residence or employment or the nature of the business, work or undertaking of the members' employer.
- III. Pension plans that are subject to the pension legislation of more than one jurisdiction play a significant role in providing retirement income to many Canadians. To establish an efficient and transparent regulatory environment for such plans, the parties to this Agreement deem it desirable to specify the rules that apply to such plans and allow, to the extent provided for in this Agreement, a single pension supervisory authority to exercise with respect to any such pension plan all of the supervisory and regulatory powers to which such plan is subject.
- IV. The laws of the jurisdictions whose governments are party to this Agreement allow for the incorporation of rules for pension plans enacted by Canadian legislative jurisdictions or as otherwise set out in this Agreement, as well as the reciprocal application of legislative provisions and administrative powers by the pension supervisory authorities concerned.
- V. Therefore, the parties to this Agreement agree as follows:

## PART I GENERAL PROVISIONS

### *SECTION 1.*

### *DEFINITIONS & SCHEDULES*

#### **Definitions**

1. (1) For the purposes of this Agreement, unless the context indicates a different meaning:

“active member” means, in relation to a pension plan, a person who:

- (a) is accruing benefits under the plan; or
- (b) is no longer accruing benefits under the plan, but who is deemed by the terms of the plan or the pension legislation that would apply to the person if this Agreement did not exist to have the same status as an active member of the plan as a person determined under clause (a); (“participant actif”)

“pension legislation” means, in relation to a jurisdiction, the legislation identified in Schedule A in respect of that jurisdiction and any subordinate legislation made under that legislation, all as amended or substituted from time to time; (“loi sur les régimes de retraite”)

“pension plan” means, in respect of a jurisdiction, any plan that is subject to the jurisdiction’s pension legislation; and (“régime de retraite”)

“pension supervisory authority” means the government ministry, department or agency of a jurisdiction that has supervisory or regulatory powers with respect to pension plans under the pension legislation of the jurisdiction. (“organisme de surveillance”)

### **Schedules**

(2) The following attached Schedules form part of this Agreement:

- (a) Schedule A – Pension Legislation; and
- (b) Schedule B – Matters Covered by Incorporated Legislative Provisions.

### ***SECTION 2.***

#### ***APPLICATION***

##### **General application**

2. (1) Subject to subsection (2) and section 26, this Agreement applies to any pension plan that would, if this Agreement and any other agreement respecting the supervision of pension plans did not exist, be subject to registration with a pension supervisory authority under the pension legislation of more than one jurisdiction that is subject to this Agreement.

##### **Restriction**

(2) This Agreement does not apply to a pension plan if the pension supervisory authority that would be designated as the major authority for the plan under this Agreement is not subject to this Agreement.

##### **Plan provision not effective**

(3) This Agreement applies in respect of a pension plan despite any conflicting provision in any document that creates or supports the pension plan.

## **PART II MAJOR AUTHORITY**

### ***SECTION 3.***

#### ***DETERMINATION OF THE MAJOR AUTHORITY***

##### **One major authority**

**3.** (1) One pension supervisory authority having jurisdiction over a pension plan shall be the major authority for the plan.

##### **Plurality of active members**

(2) Except as provided in sections 5 and 26, the major authority for a pension plan shall be the pension supervisory authority of the jurisdiction with the plurality of active members of the plan, as determined in accordance with subsection (3) and considering only those jurisdictions whose pension legislation would, if this Agreement and any other agreement respecting the supervision of pension plans did not exist, require the plan to be registered with the pension supervisory authority of that jurisdiction.

##### **Determination of plurality**

(3) The jurisdiction that, among those referred to in subsection (2), has the plurality of active members of a pension plan shall be determined using the most recent periodic information return that has been filed with a pension supervisory authority in relation to the plan's fiscal year end, or if an application to register a new pension plan is received by a pension supervisory authority, determined using the information set out in the application, and on the following basis:

- (a) in respect of a provincial jurisdiction, the number of active members of the plan who are employed in that provincial jurisdiction and who would be subject to that jurisdiction's pension legislation if this Agreement and any other agreement respecting the supervision of pension plans did not exist; and
- (b) in respect of the federal jurisdiction, the number of active members of the plan who are employed in "included employment" within the meaning of that jurisdiction's pension legislation, where the plan is subject to that jurisdiction's pension legislation.

##### **Equal number of active members**

(4) Where the major authority for a pension plan cannot be determined by applying subsections (2) and (3) because two or more jurisdictions have authority over an equal number, greater than zero, of active members of the plan, the major authority for the plan shall be, of those jurisdictions, the authority whose main office is in closest proximity to the main office of the administrator of the plan. For the purposes of this subsection:

- (a) the main office of a pension supervisory authority is the office from which the authority conducts most of its supervisory activities; and

- (b) the main office of the pension plan administrator is the office from which the plan administrator described in the text of the pension plan conducts most of the plan's administration.

### **Status as major authority**

(5) A pension supervisory authority that becomes the major authority for a pension plan in accordance with this Agreement shall remain the major authority for the plan until the authority loses its status as major authority in accordance with this Agreement.

### **Minor authorities**

(6) Once a pension supervisory authority becomes the major authority for a pension plan, any other pension supervisory authority to which this Agreement extends and that has supervisory or regulatory powers with respect to the plan becomes a minor authority for the plan.

### **New pension plan registration**

(7) Where a pension supervisory authority receives an application to register a pension plan, that authority shall determine whether it is the major authority for the plan within the meaning of this Agreement, and if necessary and as soon as possible thereafter, that authority shall notify the plan administrator as to the relevant authority with which the plan should or may be registered and shall notify the relevant authority about the plan to be registered.

## **SECTION 4.**

### **ROLE OF THE MAJOR AUTHORITY**

#### **Interpretation**

4. (1) For the purposes of this section:
- (a) a decision includes an order, direction, approval or, if specific recourse is provided, a proposal to make such a decision; and
  - (b) recourse includes the right to request a hearing, review, reconsideration or appeal.

#### **Role of major authority**

- (2) The major authority for a pension plan shall:
- (a) supervise and regulate the plan in accordance with this Agreement, and on behalf of each of the minor authorities for the plan as required by this Agreement;
  - (b) subject to subsection (3) and section 9, exercise, with respect to the plan and as required by this Agreement, the functions and powers necessary to carry out this Agreement conferred on the minor authority by the pension legislation of the minor authority's jurisdiction;

- (c) apply and enforce any rules specified in this Agreement that are not part of the pension legislation of a jurisdiction; and
- (d) determine any matter or question related to the application of this Agreement to the plan in accordance with this Agreement and the procedural provisions of the pension legislation of the major authority's jurisdiction.

### **Exceptions**

(3) Despite clause (b) of subsection (2):

- (a) where the major authority for a pension plan and a minor authority for the plan agree that a particular function or power conferred by the pension legislation of the minor authority's jurisdiction shall be exercised in respect of the plan by the minor authority, only such minor authority may exercise such function or power in respect of the plan;
- (b) where the major authority for a pension plan and a minor authority for the plan agree that a particular decision concerning the application of provisions of the pension legislation of the minor authority's jurisdiction shall be made in respect of the plan by the minor authority, only such minor authority may make such decision in respect of the plan; and
- (c) where pension legislation confers on a pension supervisory authority the power to order or otherwise require the splitting of the assets and liabilities of a pension plan, only such authority may make a decision concerning the exercise of that power with respect to the liabilities of a plan that are subject to such pension legislation and the assets of the plan related to the funding of those liabilities.

### **Decisions and recourse**

(4) Any decision that may be made by the major authority for a pension plan that applies the provisions of the pension legislation of a minor authority's jurisdiction as described in clause (b) of subsection (1) of section 6 is subject to the following rules:

- (a) the decision shall be made under the procedural provisions of the pension legislation of the major authority's jurisdiction that would have applied if the matter had arisen under that legislation;
- (b) the decision shall be deemed to have been made by the minor authority under the procedural provisions of the pension legislation of the minor authority's jurisdiction that would have applied if the minor authority had made the decision;



- (c) when the decision is issued by the major authority, it shall include notice to any person receiving the decision as to:
- (i) the provisions of the pension legislation of the minor authority's jurisdiction that were applied in formulating the decision that is made;
  - (ii) the recourse provided, if any, from the decision under the pension legislation of the minor authority's jurisdiction, including the body before whom such recourse may be exercised;
  - (iii) the time limit under the pension legislation of the minor authority's jurisdiction for exercising such recourse; and
  - (iv) where the pension legislation of the minor authority's jurisdiction does not provide for recourse from the decision, any recourse from the decision provided under any other legislation of that jurisdiction, including the body before whom such recourse may be exercised and the time limit for exercising such recourse; and
- (d) the right to recourse from the decision shall be determined under the pension legislation or other legislation of the minor authority's jurisdiction as though the decision had been made under the procedural provisions of that legislation.

### **Continued role of major authority**

(5) Exercise of a recourse from a decision referred to in this section does not have the effect of preventing or releasing the major authority from continuing to fulfill its responsibilities with respect to the pension plan as set out in subsection (2).

### **Enforcement of decisions**

(6) The major authority shall enforce any decision referred to in this section once that decision is no longer open to any further recourse, as well as any decision resulting from such recourse that is no longer open to any further recourse.

### **Communication with major authority**

(7) A person shall be entitled to communicate with the major authority for a pension plan in the same manner that the person would be entitled to communicate with a pension supervisory authority under the legislation that would apply to the person if this Agreement did not exist.

### **Representative**

(8) Where a person having any rights or benefits under a pension plan has designated another person or an association that represents people with rights or benefits under the plan to act on his or her behalf with respect to the major authority for the plan, such authority shall, to the extent permitted by law, communicate with that other person or association and, upon request, provide that other person or association with the information and documents to which the person is entitled.

### **SECTION 5.**

#### **LOSS OF MAJOR AUTHORITY STATUS**

##### **Loss of major authority status**

5. (1) The major authority for a pension plan shall lose its status in that regard on the date described in subsection (2) where, according to the most recent periodic information return that has been filed with the major authority in relation to the plan's fiscal year end, the number of active members of the plan employed in relation to the major authority's jurisdiction, as determined under subsection (3) of section 3 as of the plan's fiscal year end, is:

- (a) for the third consecutive fiscal year, less than the number of active members who were employed in relation to any other jurisdiction or jurisdictions;
- (b) less than 75% of the number of active members who were employed in relation to any other jurisdiction; or
- (c) equal to zero and there are active members of the plan employed in relation to any other jurisdiction.

##### **Date of loss of major authority status**

(2) The major authority for a pension plan loses its status in that regard:

- (a) in the case provided for in clause (a) or (b) of subsection (1), five days prior to the end of the first plan fiscal year that begins after the date on which the major authority received the information referred to in the relevant clause; and
- (b) in the case provided for in clause (c) of subsection (1), upon the later of the fifth day before the end of the current plan fiscal year during which the major authority received the information referred to in that clause or of the expiry of the period of six months beginning on the date the major authority received the information.

##### **New major authority**

(3) When the major authority for a pension plan loses its status in that regard in accordance with subsection (2), the pension supervisory authority for the jurisdiction having, as determined in accordance with subsection (1), the plurality of active members of the plan becomes the plan's new major authority if that new major authority is subject to this Agreement.

**Equal number of active members**

(4) Where the new major authority for a pension plan cannot be determined in accordance with subsection (3) because two or more jurisdictions have authority over an equal number, greater than zero, of active members of the plan, the major authority for the plan shall be, of those jurisdictions, the authority whose main office is in closest proximity to the main office of the administrator of the plan. For the purposes of this subsection:

- (a) the main office of a pension supervisory authority is the office from which the authority conducts most of its supervisory activities; and
- (b) the main office of the pension plan administrator is the office from which the plan administrator described in the text of the pension plan conducts most of the plan's administration.

**Transitional rules**

(5) Where the major authority for a pension plan loses its status in that regard in accordance with this section:

- (a) all matters related to the plan that are pending before the major authority on the day preceding its loss of status as major authority shall be continued before that authority;
- (b) all matters related to the plan that concern a decision, order, direction or approval proposed or made by the major authority and pending before any administrative body or court on the day preceding the loss of the major authority's status as major authority shall be continued before such body or court;
- (c) for every matter in respect of which the major authority referred to in clause (a) or the administrative body or court referred to in clause (b) has proposed or made a decision, order, direction or approval to which the pension legislation or other legislation applying on the day preceding the replacement of the major authority provides a right of recourse:
  - (i) such right shall be maintained so long as the period provided for exercising that right has not expired; and
  - (ii) such recourse may be brought before the administrative body or court provided for by the legislation giving entitlement thereto;

- (d) for any matter related to the plan not described in clauses (a) to (c) that occurred while the major authority was the major authority for the plan and that related to the provisions of the pension legislation of the major authority's jurisdiction in respect of a matter referred to in Schedule B:
  - (i) the major authority may, even after it loses its status in that regard for the plan, conduct an examination, investigation or inquiry into the matter in accordance with the pension legislation of the major authority's jurisdiction to determine whether compliance with that legislation was met, and in such case, the matter shall remain subject to that major authority; and
  - (ii) where the matter constitutes an offence under the pension legislation of the major authority's jurisdiction, the offence may be prosecuted by the competent authority in that jurisdiction, and in such case, the matter shall remain subject to that major authority; and
- (e) all matters referred to in clauses (a) to (d) shall remain subject to the pension legislation or other legislation that, under this Agreement, applied to such matters on the day preceding the loss of the major authority's status as major authority.

**Notice by major authority**

(6) Where the major authority for a pension plan receives from the administrator of the plan the information described in clauses (a), (b) or (c) of subsection (1), it shall:

- (a) as soon as possible after receipt of the information, notify the pension plan administrator and each minor authority for the plan of the date on which, pursuant to subsection (2), it will lose its status as major authority for the plan and, if applicable, the pension supervisory authority that shall become the new major authority for the plan; and
- (b) as soon as possible after the plan's new major authority assumes its functions, provide to such new major authority all relevant records, documents or other information that it has concerning the plan.

**Notice by new major authority**

(7) The pension supervisory authority that replaces another authority as major authority for a pension plan shall, as soon as possible after assuming its functions, inform the pension plan administrator and each of the plan's minor authorities of the date on which it assumed the functions of major authority.

**Notice by plan administrator**

(8) The administrator of a pension plan that receives from the plan's major authority notice of the information provided for in clause (a) of subsection (6) or in subsection (7) shall:

- (a) in respect of the information provided for in clause (a) of subsection (6), transmit such information to each employer that is party to the plan and any collective bargaining agent that represents any person who has rights or benefits under the plan within 90 days after such notice; and
- (b) in respect of the information provided for in subsection (7), transmit such information to each employer that is party to the plan and any person who has rights or benefits under the plan who is entitled to receive an annual statement of the person's benefits, no later than the expiry of the period for providing such persons with their next annual statements of benefits.

**PART III  
APPLICABLE LAW**

***SECTION 6.******APPLICABLE LEGISLATION*****Applicable pension legislation**

**6.** (1) While a pension supervisory authority is the major authority for a pension plan in accordance with this Agreement:

- (a) the provisions of the pension legislation of the major authority's jurisdiction in respect of matters referred to in Schedule B apply to the plan instead of those of the corresponding provisions of the pension legislation of any minor authority's jurisdiction that would apply to the plan if this Agreement did not exist; and
- (b) subject to the provisions of this Agreement, the provisions of the pension legislation of each jurisdiction that are applicable to the plan under the terms of such legislation apply to the plan in respect of matters not referred to in Schedule B.

**Funding rule exceptions**

## (2) Despite clause (a) of subsection (1):

- (a) where the pension legislation of a minor authority's jurisdiction would, if this Agreement did not exist, require the funding of a benefit provided in relation to a pension plan with respect to persons having rights under the plan who are subject to that legislation:
  - (i) subject to subclause (ii), funding shall be required in respect of that benefit with respect to those persons, even if funding for that benefit would not be required under the pension legislation of the major authority's jurisdiction; and
  - (ii) funding of the benefit described in subclause (i) shall be required in a manner consistent with, and to the extent determined by, the requirements under the pension legislation of the major authority's jurisdiction applicable to the funding of other benefits that are provided in relation to the plan and that are required to be funded in relation to the plan under that legislation;
- (b) where the pension legislation of a minor authority's jurisdiction would require, for the purposes of this clause, that an additional liability be established and funded in relation to a pension plan with respect to persons having rights under the plan who are subject to that legislation:
  - (i) subject to subclause (ii), such liability shall be required to be established and funded, even if such liability would not be required to be established, and such funding would not be required, under the pension legislation of the major authority's jurisdiction; and
  - (ii) funding of the liability described in subclause (i) shall be required in a manner consistent with, and to the extent determined by, the requirements under the pension legislation of the major authority's jurisdiction applicable to the funding of benefits that are provided in relation to the plan and that are required to be funded in relation to the plan under that legislation; and
- (c) subject to subsection (4), when a pension supervisory authority becomes the major authority for a pension plan in accordance with this Agreement, if the funding of any benefit provided under the plan has been based on actuarial valuation reports filed in respect of the plan with a pension supervisory authority, the funding of those benefits shall continue to be subject to the pension legislation that applied immediately before the major authority assumed its functions in respect of the plan until such time as a new actuarial valuation report is due to be filed in respect of the plan with the major authority in accordance with the pension legislation of the major authority's jurisdiction.

**Definitions**

(3) For the purposes of subsection (4):

“alternative funding arrangement” means a fund or financial instrument that is described in the pension legislation of a jurisdiction and is permitted under that legislation to supplement, support or otherwise satisfy the funding requirements for a pension plan under that legislation, where in the absence of such fund or financial instrument additional contributions would be required to be made to the pension fund of the plan in order to satisfy the funding requirements for the plan under that legislation; (“instrument financier”)

“new major authority” means a pension supervisory authority that becomes the major authority for a pension plan in accordance with this Agreement; and

“prior authority” means a pension supervisory authority with which a pension plan is registered immediately before a pension supervisory authority becomes the major authority for the plan in accordance with this Agreement.

**Alternative funding arrangement exceptions**

(4) Despite clause (a) of subsection (1), when a pension supervisory authority becomes the new major authority for a pension plan, if the pension legislation of the prior authority’s jurisdiction permitted the use of an alternate funding arrangement, but the pension legislation of the new major authority’s jurisdiction does not permit the use of that alternate funding arrangement, then:

- (a) if, no later than thirty-five days before the new major authority becomes the major authority for the plan, the administrator of the plan provides notice to both the new major authority and the prior authority that it intends to file an actuarial valuation report with the new major authority with a valuation date that coincides with the fiscal year end of the plan that immediately follows the new major authority becoming the major authority for the plan, then the following rules shall apply with respect to the funding of the plan:
  - (i) the alternative funding arrangement may continue to be used until thirty days after the valuation report is due to be filed with the new major authority;
  - (ii) no later than thirty days after the valuation report is due to be filed with the new major authority, an amount equal to the lesser of the value of the alternative funding arrangement or the amount required to make the plan fully funded on a solvency basis shall be deposited into the pension fund of the plan by an employer that is party to the plan; and

- (iii) if the amount described in subclause (ii) has not been deposited by an employer into the pension fund of the plan within the thirty day timeframe described in that subclause, an amount equal to the full value of the alternative funding arrangement shall be immediately deposited into the pension fund of the plan by an employer that is party to the plan; and
- (b) if the administrator of the plan does not provide the notice described in clause (a), then the following rules shall apply with respect to the funding of the plan:
  - (i) no later than thirty days before the new major authority becomes the major authority for the plan, an amount equal to the lesser of the value of the alternative funding arrangement or the amount required to make the plan fully funded on a solvency basis shall be deposited into the pension fund of the plan by an employer that is party to the plan; and
  - (ii) until the time a new actuarial valuation report described in clause (c) of subsection (2) is filed with the new major authority respecting the plan, an amount equal to the lesser of the value of any subsequent alternative funding arrangement that would have been required to have been obtained in relation to the plan under the pension legislation of the prior authority's jurisdiction, or the amount that would be required to make the plan fully funded on a solvency basis, shall be deposited into the pension fund of the plan by an employer that is party to the plan instead of obtaining the subsequent alternative funding arrangement, at or before the time the alternative funding arrangement would have been required to have been obtained in relation to the plan under the pension legislation of the prior authority's jurisdiction and in accordance with the last actuarial valuation report that had been filed with the prior authority in respect of the plan.

## ***SECTION 7.***

### ***DETERMINATION OF BENEFITS BY FINAL LOCATION***

#### **Deemed applicability of pension legislation**

7. For the purposes of determining the benefits accrued by a person under a pension plan, the person's entire benefit accrual shall be deemed to have been subject to the pension legislation that applied to the person:

- (a) at the time the person's benefits were determined, if the person was still accruing benefits under the plan at that time; or
- (b) at the time the person ceased accruing benefits under the plan, if the person was no longer accruing benefits under the plan at the time the person's benefits were determined.



**SECTION 8.****PENSION PLAN INVESTMENTS****Deadline for compliance**

8. Despite any other provision of this Agreement, any investment by a pension plan that is held on the date a pension supervisory authority becomes the major authority for the plan and that, although it complies with the pension legislation that applied to the plan on the day preceding that date, does not comply with the pension legislation that applies to the plan's investments from that date, shall be brought into compliance with the latter legislation within five years from that date.

**SECTION 9.****PENSION BENEFITS GUARANTEE FUND****Pension benefits guarantee fund**

9. Subject to sections 10 to 17, this Agreement shall not affect the application or administration of the Pension Benefits Guarantee Fund set out under the pension legislation of Ontario or any similar fund established under any other pension legislation.

**PART IV****PENSION PLAN ASSET ALLOCATION INTO JURISDICTIONAL PORTIONS****SECTION 10.****APPLICABLE SITUATIONS****Applicable situations**

10. The assets of a pension plan shall be allocated into portions in accordance with this Part when:

- (a) the plan is amended so that part of the liability of the plan to pay benefits or other amounts to persons so entitled under the plan is transferred to a different pension plan, and where, as part and in consideration of that transfer of liability, part of the assets of the plan are transferred to the different plan;
- (b) a pension supervisory authority orders or otherwise requires the splitting of the assets and liabilities of the plan, as described in clause (c) of subsection (3) of section 4;
- (c) the plan has more than one participating employer and an employer withdraws from the plan, and pension legislation requires that the rights and benefits accrued under the plan be divided into groups, one of which consists of the rights and benefits of persons affected by the withdrawal, and that those persons may elect to have their rights and benefits under the plan be paid forthwith;
- (d) the plan is being wound up in part;
- (e) the plan is being fully wound up; or

- (f) a situation not described in clauses (a) to (e) occurs and assets of the plan related to a jurisdiction are to be paid to an employer that participates in the plan in accordance with the pension legislation of that jurisdiction.

## **SECTION 11.**

### **ALLOCATION OF ASSETS**

#### **Allocation into portions**

**11.** (1) For the purposes of this Part, the assets of a pension plan shall be allocated into portions as of the date of allocation, each portion being related to the liability for benefits and other amounts accrued under the plan, and any additional liability referred to in clause (b) of subsection (2) of section 6 respecting the plan, that is subject to a jurisdiction's pension legislation, as determined in accordance with this section.

#### **Standard allocation methodology**

(2) Subject to section 12, the portion of a pension plan's assets that is subject to a jurisdiction's pension legislation as of the date of allocation shall be equal to the sum of the amounts referred to in section 13 as of the date of allocation, determined with respect to the benefits and other amounts described in section 13 that are subject to that jurisdiction's pension legislation and applying the requirements of sections 14 to 16.

#### **Other allocation methodology**

(3) The major authority for a pension plan may permit the assets of the plan to be allocated into the portions described in subsection (1) in a manner other than that required by subsection (2) or section 12 if:

- (a) the allocation of the plan's assets is made in relation to any situation described in section 10 other than the full wind up of the plan and a Fellow of the Canadian Institute of Actuaries certifies that:
  - (i) the liabilities of the plan that are related to the plan assets to be allocated into the portions described in subsection (2) do not exceed those assets on either a solvency basis or a going concern basis; and
  - (ii) the allocation of the assets of the plan described in subclause (i) will not differ materially from an allocation of those assets conducted in accordance with subsection (2); or

- (b) the allocation of the plan's assets is made in relation to a situation described in clause (d) of section 10, no pension legislation that applies to the plan assets to be allocated into the portions described in subsection (2) requires the distribution of any plan assets related to the wound up part of the plan that remain after all liabilities related to the wound up part of the plan have been settled and a Fellow of the Canadian Institute of Actuaries certifies that the liabilities of the plan related to the wound up part of the plan do not exceed the plan assets related to the wound up part of the plan on either a solvency basis or a going concern basis immediately before the partial wind up of the plan.

## ***SECTION 12.***

### ***PLAN WITH MORE THAN ONE PARTICIPATING EMPLOYER***

#### **Plan with more than one participating employer**

**12.** (1) This section applies to a pension plan that has more than one participating employer and, in accordance with the pension legislation of the major authority's jurisdiction:

- (a) the following are determined and accounted for separately in respect of an employer that participates in the plan, as if a separate pension plan was established within the plan in respect of that employer:
  - (i) the assets and liabilities of the plan;
  - (ii) the contributions payable in relation to the plan;
  - (iii) the benefits and other amounts owing under the plan; and
  - (iv) the expenses payable in relation to the plan;
- (b) the liabilities of the plan related to the employer described in clause (a) are determined with reference to only the benefits and other amounts owing to a person in relation to that person's employment with that employer; and
- (c) among the contributions payable in relation to the plan by the employer described in clause (a), those that are required to be paid under the applicable pension legislation in relation to benefits and other amounts currently accruing by active members of the plan are determined only with reference to active members employed by that employer.

**Allocation of assets into employer shares**

(2) For the purposes of an asset allocation under this Part involving a pension plan described in subsection (1), the assets of the plan that have been determined and accounted for separately in relation to an employer as of the date of allocation shall be allocated to that employer as an employer share if the plan characteristics described in clause (a) of subsection (1) respecting the employer:

- (a) have been determined and accounted for separately since the start of the employer's participation in the plan; or
- (b) began to be determined and accounted for separately at a date subsequent to the start of the employer's participation in the plan, and the initial determination and accounting of the assets of the plan respecting that employer was consistent with, and conducted on the basis of, an allocation of the assets of the plan in accordance with the requirements of this Part and in relation to a situation other than that described in clause (c), (d) or (e) of section 10.

**Allocation of employer shares into portions**

(3) Any employer share allocated in accordance with subsection (2) shall be further allocated into portions in the manner provided for in section 11, and used in the manner provided for in section 17, as if the employer share consisted of the assets of a separate pension plan for that employer.

**Allocation of remaining assets into portions**

(4) For the purposes of an asset allocation under this Part involving a pension plan described in subsection (1), any assets of the plan not allocated to an employer share in accordance with subsection (2) shall be allocated into portions in the manner provided for in section 11, and used in the manner provided for in section 17, without considering the liabilities described in clause (b) of subsection (1) related to an employer for which an employer share has been allocated under this section.

**SECTION 13.****DETERMINATION OF PORTIONS FOR ASSET ALLOCATION****Determination of portions**

13. (1) The assets of a pension plan that are to be allocated into portions in accordance with subsection (2) of section 11 shall be allocated into portions as of the date of allocation in accordance with the levels of priority of allocation set out in this section.

**Contributions and similar amounts**

(2) First, allocate assets of the pension plan equal to the sum of the following contributions and amounts, to the extent that such contributions and amounts are still credited to the account of a person having benefits under the plan on the date of allocation:

- (a) any contributions paid into the pension fund of the plan and any amounts that the person had elected to transfer into the pension fund of the plan, other than contributions and amounts used to fund benefits that are not determined solely as a function of amounts credited to the account of the person; and
- (b) any interest attributable to contributions or amounts described in clause (a).

**Core liabilities**

(3) Second, allocate assets of the pension plan equal to the sum of the following liability amounts, provided that the pension legislation that would govern those liabilities if this Agreement did not exist would require them to be funded on a solvency basis:

- (a) the value of benefits under the plan that are being paid on a regular and periodic basis to any person on the date of allocation, whether or not the benefit is payable for the lifetime of the person, and determined taking into account:
  - (i) any periodic increase in the benefits, based on any index, rate or formula provided for in the plan; and
  - (ii) any related benefits that are payable due to the death of the person;
- (b) the value of lifetime benefits accrued under the plan by any person who, on the date of allocation, is entitled to receive payment of the benefits on that date or a later date, but who is not in receipt of payment of the benefits as of the date of allocation, determined:
  - (i) using the earliest age at which all such persons are entitled to payment of unreduced lifetime benefits, without reference to any other requirements or conditions under the terms of the plan or any applicable pension legislation;
  - (ii) taking into account any post-retirement periodic increase in the lifetime benefits, based on any index, rate or formula provided for in the plan; and

- (iii) taking into account any related benefits that are payable due to the death of the person, whether such death occurs before or after the person starts receiving payment of lifetime benefits under the plan and determined at the age described in subclause (i);
- (c) in respect of any person who has been required to make contributions under the plan, the amount by which the contributions made by the person plus any interest attributable to those contributions exceeds the amount representing 50% of the value of the benefits payable to the person under the plan, subject to the following requirements:
  - (i) the contributions, interest and value of the benefits shall be calculated as of the date of allocation and consistent with either the pension legislation that governs the benefits or the terms of the plan, whichever produces a larger excess amount; and
  - (ii) any such excess amount already determined in relation to a person before the date of allocation shall not be included, whether or not such previously determined excess amount has been refunded to the person; and
- (d) any unpaid part of the value of the benefits payable under the plan to a person who had elected before the date of allocation to be paid the value of the person's benefit entitlements under the plan, as well as any interest attributable to that unpaid part.

**Other liabilities whose funding is required**

(4) Third, allocate assets of the pension plan equal to the sum of the following liability amounts:

- (a) the value of benefits accrued under the plan, other than those referred to in subsection (3), by any person who, on the date of allocation, is entitled to receive payment of the benefit on that date or a later date, but who is not in receipt of payment of the benefit as of the date of allocation, provided that the pension legislation that would govern the benefits if this Agreement did not exist would require that such benefits be funded on a solvency basis; and
- (b) subject to subsection (5), the value of the additional liability referred to in clause (b) of subsection (2) of section 6.

**Assets related to additional liability**

(5) Where the assets of the pension plan that are allocated to a portion under subsections (2), (3) and (4) in the absence of the requirements of this subsection exceed the value of benefits and other amounts accrued under the plan that are related to that portion:

- (a) the value calculated for clause (b) of subsection (4) shall be reduced by the excess amount referred to in this subsection; and
- (b) the assets of the plan not allocated to a portion due to the application of clause (a) may be allocated to other portions in accordance with subsection (4).

**Balance of assets**

(6) Fourth, for the purposes of an asset allocation in any situation other than that described in clause (c), (d) or (e) of section 10:

- (a) any assets of the pension plan remaining after the allocations made in accordance with subsections (2) to (4) shall be sequentially allocated to the portion or portions with the lowest going concern ratio, until the going concern ratio of that portion equals the going concern ratio of the portion with the next highest going concern ratio;
- (b) the sequential allocation of the plan's assets described in clause (a) shall be made until all portions have the same going concern ratio or no assets remain to be allocated, whichever occurs first;
- (c) if, after applying the sequential allocation of assets described in clauses (a) and (b), the going concern ratio of each portion is lower than 1.0, any assets of the pension plan yet to be allocated shall be allocated to the portions so that the going concern ratios of all portions remain the same, until the going concern ratio of each portion reaches 1.0 or no assets remain to be allocated, whichever occurs first;
- (d) for the purposes of clauses (a), (b) and (c), the going concern ratio of a portion shall be calculated by using the assets of the pension plan allocated to the portion in accordance with this section and the going concern liabilities of the plan that are subject to the jurisdiction's pension legislation applicable to that portion, other than assets and liabilities related to contributions and amounts described in subsection (2); and
- (e) any assets of the pension plan remaining after the allocations made in accordance with clauses (a), (b) and (c) shall be allocated pro rata to the total of the going concern liabilities determined for each portion.

**Balance of assets for certain asset allocations**

(7) Fourth, for the purposes of an asset allocation in a situation described in clause (c), (d) or (e) of section 10:

- (a) allocate assets of the pension plan equal to the value of benefits accrued under the plan, other than those referred to in subsections (2), (3) or (4), to which persons are entitled under the plan as of the date of allocation; and
- (b) any assets of the pension plan remaining after the allocations made in accordance with subsections (2) to (5) and clause (a) shall be allocated pro rata to the total of the values determined for each portion in applying subsections (2) and (3) and clause (a) of subsection (4).

**SECTION 14.*****RULES OF APPLICATION*****Alternative funding arrangements**

**14.** (1) For the purposes of this Part, the assets of a pension plan include any alternative funding arrangement described in section 6 that exists in relation to the plan at the time the assets of the plan are allocated into portions in accordance with this Part.

**Determining value of benefits and assets**

(2) For the purposes of sections 11 to 13, except subsection (6) of section 13, the value of the benefits and other amounts payable under a pension plan and the assets of the plan shall be determined as if the pension plan were wound up on the date of allocation.

**Deemed solvency funding requirement**

(3) If, at the time the assets of a pension plan are allocated into portions in accordance with this Part, a liability amount related to the plan or a benefit under the plan that is subject to a jurisdiction's pension legislation would not, if this Agreement did not exist, be required to be funded on a solvency basis due to a temporary suspension under that legislation of a requirement under that legislation that would otherwise require the funding of such liability amount or benefit on a solvency basis, the liability amount or benefit shall be deemed to be one that is required by that legislation to be funded on a solvency basis for the purposes of subsection (3) of section 13 and clause (a) of subsection (4) of section 13.



**Additional deemed solvency funding requirement**

(4) If, on the date as of which the assets of a pension plan are allocated into portions in accordance with this Part, the pension legislation of a government that is party to this Agreement has been amended after January 1, 2014, to permanently remove a requirement that some or all of the benefits and liability amounts under a pension plan be funded on a solvency basis, then that pension legislation shall be deemed, for the purposes of subsection (3) of section 13 and clause (a) of subsection (4) of section 13, to require that those benefits and liability amounts that are the subject of the amendment to the pension legislation and that have been accrued under the plan before the date that the amendment to the pension legislation has come into effect must be funded on a solvency basis.

**SECTION 15.****REDUCTION METHOD****Reduction method**

**15.** (1) Subject to subsection (2), to the extent that a value or amount referred to in subsection (3) or (4) of section 13 relates to benefits arising from the application of a provision of a pension plan or of pension legislation that came into effect less than five years before the date of allocation, such value or amount shall, for the purposes of subsection (3) or (4) of section 13, be reduced:

- (a) by 100%, if the period from the date that the provision of the pension plan or pension legislation came into effect to the date of allocation is less than one year;
- (b) by 80%, if the period is one year or more, but less than two years;
- (c) by 60%, if the period is two years or more, but less than three years;
- (d) by 40%, if the period is three years or more, but less than four years; and
- (e) by 20%, if the period is four years or more, but less than five years.

**Exception to reduction method**

(2) The major authority for a pension plan may permit the assets of the plan to be allocated into the portions described in subsection (2) of section 11 without applying the requirements of subsection (1) if a Fellow of the Canadian Institute of Actuaries certifies that the liabilities of the plan that are related to the plan assets to be allocated into the portions described in subsection (2) of section 11 do not exceed those assets on a solvency basis.

**SECTION 16.****INSUFFICIENCY OF ASSETS****Insufficiency of assets**

16. If, at one of the levels of priority of allocation established by section 13, the assets of a pension plan that have yet to be allocated to a portion described in subsection (2) of section 11 are less than the total value of the benefits and other amounts that rank equally in that level of priority of allocation, the available plan assets shall be allocated to the portions pro rata to the total value of the benefits and other amounts that rank equally in that level of priority of allocation.

**SECTION 17.****USE OF ASSETS FOLLOWING ALLOCATION****Use of allocated assets**

17. (1) Where an asset allocation for a pension plan is made under this Part in any situation other than that described in clause (c), (d) or (e) of section 10, each portion of the assets of the plan allocated in accordance with sections 11 to 16 shall be utilized in conformity with the pension legislation applicable to the benefits and other amounts related to that portion.

**Use of allocated assets for certain asset allocations**

(2) Where an asset allocation for a pension plan is made under this Part in a situation described in clause (c), (d) or (e) of section 10, each portion of the assets of the plan allocated in accordance with sections 11 to 16 shall be utilized, in conformity with the pension legislation applicable to the benefits and other amounts related to that portion, to satisfy payment of those benefits and other amounts arising from the wind up of the plan or the withdrawal of the employer, as the case may be. In addition, any remaining assets related to that portion shall be distributed in accordance with that pension legislation, if so required under that legislation. No assets of the plan allocated to one portion shall be utilized to satisfy payment of the benefits and other amounts related to another portion on the wind up of the plan or the withdrawal of the employer, as the case may be.

**Use of remaining allocated assets**

(3) Where a situation described in clause (c) or (d) of section 10 occurs and the assets of a pension plan that have been allocated to a portion in accordance with sections 11 to 16 have been utilized to fully satisfy payment of the benefits and other amounts related to that portion that arise from the partial wind up of the plan or the withdrawal of the employer, as the case may be, and any other assets related to that portion have been distributed as required by the pension legislation applicable to the benefits and other amounts related to that portion, any remaining assets related to that portion shall remain in the pension fund of the plan and be commingled with the other assets therein.

**PART V  
RELATIONS BETWEEN AUTHORITIES**

**SECTION 18.**

**COOPERATION**

**Reciprocal obligations**

- 18.** The pension supervisory authorities that are subject to this Agreement shall:
- (a) provide to each other any information required for the application of this Agreement or pension legislation, and if requested, may provide other information which is reasonable in the circumstances;
  - (b) assist each other in any matter concerning the application of this Agreement or pension legislation as is reasonable in the circumstances, particularly with respect to subsection (7) of section 4, and may act as agent for each other;
  - (c) upon the request of such an authority, transmit to that authority any information on steps taken for the application of this Agreement and amendments to pension legislation, to the extent that such amendments affect the application of this Agreement;
  - (d) notify each other of any difficulty encountered in the interpretation or in the application of this Agreement or pension legislation; and
  - (e) seek an amicable resolution to any dispute that arises between them with respect to the interpretation of this Agreement.

**PART VI  
EXECUTION AND COMING INTO FORCE OF AGREEMENT**

**SECTION 19.**

**EXECUTION AND COMING INTO FORCE**

**Effective date**

- 19.** This Agreement shall come into force:
- (a) on July 1, 2016, in respect of the governments of British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan; and
  - (b) on the date unanimously agreed to by all parties to this Agreement in respect of a government on behalf of which this Agreement is signed after July 1, 2016.

**SECTION 20.****ADDITIONAL PARTIES****Unanimous consent**

**20.** (1) A government may become party to this Agreement with the unanimous consent of the parties to this Agreement.

**Effects**

(2) This Agreement shall enure to the benefit of and be binding upon a government that becomes party to this Agreement, the government's jurisdiction and the jurisdiction's pension supervisory authority as of the date referred to in section 19.

**SECTION 21.****WITHDRAWAL****Written notice**

**21.** (1) A party to this Agreement may withdraw from this Agreement by giving written notice to all other parties to this Agreement. Such notice shall be signed by a person authorized by the laws of the withdrawing party's jurisdiction to sign this Agreement.

**Waiting period**

(2) The withdrawal shall take effect on the first day of the month following expiry of a period of three years following the date on which the notice was transmitted. The withdrawal shall affect only the withdrawing party, and this Agreement shall remain in force for all other parties to this Agreement.

**Minor authority**

(3) Where, upon expiry of the three year period referred to in subsection (2), the pension supervisory authority for the withdrawing party's jurisdiction acts as a minor authority with respect to a pension plan, the major authority for the plan shall provide, upon request, that minor authority with copies of all relevant records, documents and other information concerning the plan in the major authority's possession.

**Major authority**

(4) Where, upon expiry of the three year period referred to in subsection (2), the pension supervisory authority for the withdrawing party's jurisdiction acts as the major authority for a pension plan, such authority shall:

- (a) determine which pension supervisory authority, if any, shall become the new major authority for the plan in accordance with section 3 as of the effective date of the withdrawal; and
- (b) provide the new major authority for the plan referred to in clause (a), as soon as possible after such authority assumes its functions, with all relevant records, documents and other information in its possession concerning the plan.

**Notice by major authority**

(5) The pension supervisory authority that becomes a pension plan's new major authority in accordance with subsection (4) shall, as soon as possible after assuming its functions, inform the plan administrator and each of the plan's minor authorities of the date on which it assumed the functions of major authority.

**Notice by plan administrator**

(6) The administrator of a pension plan that receives from the plan's new major authority notice of the information provided for in subsection (5) shall transmit such information:

- (a) to each employer that is party to the plan and any collective bargaining agent that represents any person who has rights or benefits under the plan within 90 days after such notice; and
- (b) to any person who has rights or benefits under the plan who is entitled to receive an annual statement of the person's benefits under the plan, no later than the expiry of the period for providing such persons with their next annual statements of benefits.

**Decisions and recourse**

(7) Despite sections 4 and 6, where a pension supervisory authority becomes a pension plan's new major authority in accordance with subsection (4):

- (a) all matters related to the plan that are pending before a prior major authority on the day preceding the new major authority's assumption of its functions under this Agreement shall be continued before that prior major authority;
- (b) all matters related to the plan that concern a decision, order, direction or approval proposed or made by a prior major authority and pending before any administrative body or court on the day preceding the new major authority's assumption of its functions under this Agreement shall be continued before such body or court;
- (c) for every matter in respect of which the prior major authority referred to in clause (a) or the administrative body or court referred to in clause (b) has proposed or made a decision, order, direction or approval to which the pension legislation or other legislation applying on the day preceding the new major authority's assumption of its functions under this Agreement provides a right of recourse:
  - (i) such right shall be maintained so long as the period provided for exercising that right has not expired; and
  - (ii) such recourse may be brought before the administrative body or court provided for by the legislation giving entitlement thereto;

- (d) for any matter related to the plan not described in clauses (a) to (c) that occurred before the new major authority's assumption of its functions under this Agreement and that related to the provisions of the pension legislation of a prior major authority's jurisdiction in respect of a matter referred to in Schedule B:
  - (i) the prior major authority may, even after it loses its status as major authority for the plan, conduct an examination, investigation or inquiry into the matter in accordance with the pension legislation of the prior major authority's jurisdiction to determine whether compliance with that legislation was met, and in such case, the matter shall remain subject to that prior major authority; and
  - (ii) where the matter constitutes an offence under the pension legislation of the prior major authority's jurisdiction, the offence may be prosecuted by the competent authority in that jurisdiction, and in such case, the matter shall remain subject to that prior major authority; and
- (e) all matters referred to in clauses (a) to (d) shall remain subject to the pension legislation or other legislation that applied to such matters on the day preceding the new major authority's assumption of its functions under this Agreement.

## ***SECTION 22.***

### ***AMENDMENT***

#### **Unanimous consent**

**22.** This Agreement may be amended with the unanimous written consent of each of the parties to this Agreement.

## ***SECTION 23.***

### ***COUNTERPARTS***

#### **Execution in counterparts**

**23.** This Agreement or any amendment to this Agreement may be executed in counterparts.

## ***SECTION 24.***

### ***EXECUTION IN ENGLISH AND IN FRENCH***

#### **Authentic texts**

**24.** This Agreement and any amendment to this Agreement shall be executed in the English and French languages, each text being equally authoritative.

**PART VII**  
**IMPLEMENTATION AND TRANSITIONAL PROVISIONS**

**SECTION 25.**

**REPLACEMENT**

**Prior agreements**

**25.** Subject to sections 27 and 28, as of the date referred to in section 19, this Agreement replaces the agreement entitled “Memorandum of Reciprocal Agreement” and any similar agreement respecting the application of pension legislation to pension plans that has been made between the governments that are party to this Agreement or between the departments or agencies of such governments.

**SECTION 26.**

**TRANSITION**

**Preliminary measure**

**26.** (1) Where this Agreement comes into force on a date referred to in section 19, and on that date a pension plan first becomes subject to this Agreement:

- (a) if the plan is registered with only one pension supervisory authority and that authority is subject to this Agreement on that date, that authority shall become the major authority for the plan as of that date;
- (b) if the plan is registered with more than one pension supervisory authority and each of those authorities is subject to this Agreement on that date, the major authority for the plan shall be, of those authorities, the authority of the jurisdiction with the plurality of active members of the plan, as determined in accordance with subsection (3) of section 3 and considering only those jurisdictions whose pension legislation would, if this Agreement and any other agreement respecting the supervision of pension plans did not exist, require the plan to be registered with the pension supervisory authority of that jurisdiction; and
- (c) if the plan is registered with more than one pension supervisory authority and not all of those authorities are subject to this Agreement on that date, this Agreement shall not apply to the plan until such time as all of the authorities with which the plan is registered are subject to this Agreement, at which time the requirements of clause (b) shall apply to the plan.

### **Equal number of active members**

(2) Where the major authority for a pension plan cannot be determined by applying clause (b) of subsection (1) because two or more jurisdictions have authority over an equal number, greater than zero, of active members of the plan, the major authority for the plan shall be, of those jurisdictions, the authority whose main office is in closest proximity to the main office of the administrator of the plan. For the purposes of this subsection:

- (a) the main office of a pension supervisory authority is the office from which the authority conducts most of its supervisory activities; and
- (b) the main office of the pension plan administrator is the office from which the plan administrator described in the text of the pension plan conducts most of the plan's administration.

### **Notice by major authority**

(3) The pension supervisory authority that becomes a pension plan's major authority in accordance with this section shall, as soon as possible after assuming its functions, inform the plan administrator and each of the plan's pension supervisory authorities of the date on which it assumed the functions of major authority.

### **Decisions and recourse**

(4) Despite sections 4 and 6, where a pension supervisory authority becomes a pension plan's major authority in accordance with this section:

- (a) all matters related to the plan that are pending before a pension supervisory authority on the day preceding the major authority's assumption of its functions under this Agreement shall be continued before that pension supervisory authority;
- (b) all matters related to the plan that concern a decision, order, direction or approval proposed or made by a pension supervisory authority and pending before any administrative body or court on the day preceding the major authority's assumption of its functions under this Agreement shall be continued before such body or court;
- (c) for every matter in respect of which the pension supervisory authority referred to in clause (a) or the administrative body or court referred to in clause (b) has proposed or made a decision, order, direction or approval to which the pension legislation or other legislation applying on the day preceding the major authority's assumption of its functions under this Agreement provides a right of recourse:
  - (i) such right shall be maintained so long as the period provided for exercising that right has not expired; and
  - (ii) such recourse may be brought before the administrative body or court provided for by the legislation giving entitlement thereto;



- (d) for any matter related to the plan not described in clauses (a) to (c) that occurred before the major authority's assumption of its functions under this Agreement and that related to the provisions of the pension legislation of a pension supervisory authority's jurisdiction in respect of a matter referred to in Schedule B:
  - (i) the pension supervisory authority may, even after the major authority assumes its functions under this Agreement for the plan, conduct an examination, investigation or inquiry into the matter in accordance with the pension legislation of that authority's jurisdiction to determine whether compliance with that legislation was met, and in such case, the matter shall remain subject to that pension supervisory authority; and
  - (ii) where the matter constitutes an offence under the pension legislation of the pension supervisory authority's jurisdiction, the offence may be prosecuted by the competent authority in that jurisdiction, and in such case, the matter shall remain subject to that pension supervisory authority; and
- (e) subject to sections 27 and 28, all matters referred to in clauses (a) to (d) shall remain subject to the pension legislation, other legislation and agreements referred to in section 25 that applied to such matters on the day preceding the major authority's assumption of its functions under this Agreement.

**New party to this Agreement after July 1, 2016**

- (5) Despite sections 4 and 6, if this Agreement comes into force after July 1, 2016, in respect of a government that was not party to this Agreement before that date, and a pension plan is, on the date this Agreement comes into force in respect of that party, already subject to this Agreement:
- (a) the major authority for that plan shall inform the plan administrator and each of the plan's pension supervisory authorities of the date on which this Agreement came into force in respect of that party, as soon as possible after that date;
  - (b) all matters related to the plan that are pending before a pension supervisory authority on the day preceding the date this Agreement comes into force in respect of that party shall be continued before that pension supervisory authority;
  - (c) all matters related to the plan that concern a decision, order, direction or approval proposed or made by a pension supervisory authority and pending before any administrative body or court on the day preceding the date this Agreement comes into force in respect of that party shall be continued before such body or court;

- (d) for every matter in respect of which the pension supervisory authority referred to in clause (b) or the administrative body or court referred to in clause (c) has proposed or made a decision, order, direction or approval to which the pension legislation or other legislation applying on the day preceding the date this Agreement comes into force in respect of that party provides a right of recourse:
  - (i) such right shall be maintained so long as the period provided for exercising that right has not expired; and
  - (ii) such recourse may be brought before the administrative body or court provided for by the legislation giving entitlement thereto;
- (e) for any matter related to the plan not described in clauses (b) to (d) that occurred before the date this Agreement came into force in respect of that party and that related to the provisions of the pension legislation of a pension supervisory authority's jurisdiction in respect of a matter referred to in Schedule B:
  - (i) the pension supervisory authority may, even after the date this Agreement comes into force in respect of that party, conduct an examination, investigation or inquiry into the matter in accordance with the pension legislation of that authority's jurisdiction to determine whether compliance with that legislation was met, and in such case, the matter shall remain subject to that pension supervisory authority; and
  - (ii) where the matter constitutes an offence under the pension legislation of the pension supervisory authority's jurisdiction, the offence may be prosecuted by the competent authority in that jurisdiction, and in such case, the matter shall remain subject to that pension supervisory authority; and
- (f) all matters referred to in clauses (b) to (e) shall remain subject to the pension legislation, other legislation and agreements referred to in section 25 that applied to such matters on the day preceding the date this Agreement came into force in respect of that party.

**PART VIII  
FINAL AND SPECIAL PROVISIONS**

***SECTION 27.***

***REPLACEMENT OF 2011 AGREEMENT***

**2011 agreement**

27. As of July 1, 2016, this Agreement replaces the agreement entitled “Agreement Respecting Multi-jurisdictional Pension Plans” which came into force on July 1, 2011, in respect of the governments of Ontario and Quebec. The application of that agreement is limited to matters referred to in section 28.

***SECTION 28.***

***ADDITIONAL TRANSITIONAL RULE***

**Pending matters under 2011 agreement**

28. Despite section 27, any matter related to a pension plan that was subject to the agreement entitled “Agreement Respecting Multi-jurisdictional Pension Plans” on June 30, 2016, and that was still pending on that date before the Financial Services Commission of Ontario, Retraite Québec, an administrative body or a court continues to be subject to the requirements of that agreement.

***SECTION 29.***

***WITHDRAWAL FROM AGREEMENT***

**Written notice to other parties**

29. (1) Despite section 21, a party to this Agreement may withdraw from this Agreement by giving written notice to all other parties to this Agreement on or after January 1, 2019, and before April 1, 2019. Such notice shall be signed by a person authorized by the laws of the withdrawing party’s jurisdiction to sign this Agreement.

**Effective date of withdrawal**

(2) The withdrawal shall take effect on July 1, 2019. The withdrawal shall affect only the withdrawing party, and this Agreement shall remain in force for all other parties to this Agreement.

## **SCHEDULE A PENSION LEGISLATION**

### **Alberta**

1. *Employment Pension Plans Act*, S.A. 2012, c. E-8.1.

### **British Columbia**

2. *Pension Benefits Standards Act*, S.B.C. 2012, c. 30.

### **Manitoba**

3. *The Pension Benefits Act*, C.C.S.M., c. P32.

### **New Brunswick**

4. *Pension Benefits Act*, S.N.B. 1987, c. P-5.1.

### **Newfoundland and Labrador**

5. *Pension Benefits Act, 1997*, S.N.L. 1996, c. P-4.01.

### **Nova Scotia**

6. *Pension Benefits Act*, S.N.S. 2011, c. 41.

### **Ontario**

7. *Pension Benefits Act*, R.S.O. 1990, c. P.8.

### **Quebec**

8. *Supplemental Pension Plans Act*, C.Q.L.R., c. R-15.1.

### **Saskatchewan**

9. *The Pension Benefits Act, 1992*, S.S. 1992, c. P-6.001.

### **Federal jurisdiction**

10. *Pension Benefits Standards Act, 1985*, R.S.C. 1985 (2nd supp.), c. 32.

**SCHEDULE B**  
**MATTERS COVERED BY INCORPORATED LEGISLATIVE PROVISIONS**

**SECTION 1.**

**MAJOR AUTHORITY'S PENSION LEGISLATION**

**Major authority's pension legislation**

1. The pension legislation applicable to a pension plan shall be the pension legislation of the jurisdiction of the major authority for the plan in the following areas of pension legislation:

**Registration of pension plans**

1. Legislative provisions respecting:

- (a) the duty of the pension plan administrator to ensure that the plan complies with the applicable pension legislation;
- (b) requirements that a pension plan be registered with the authority;
- (c) prohibitions against administering a pension plan not registered with the authority;
- (d) the pension plan registration process (including the filing of required forms and documents, the form in which such documents must be filed, the contents of documents and filing deadlines);
- (e) whether registration of a plan is proof of compliance with the applicable pension legislation; and
- (f) the authority's power to refuse or revoke the registration of a plan due to non-compliance with the applicable pension legislation.

**Registration of pension plan amendments**

2. Legislative provisions respecting:

- (a) requirements that pension plan amendments, or amendments to prescribed pension plan documents, be registered with the authority;
- (b) the amendment registration process (including the filing of required forms and documents, the form in which such documents must be filed, the contents of documents and filing deadlines);
- (c) whether registration of an amendment is proof of compliance with the applicable pension legislation;

- (d) the authority's power to refuse or revoke the registration of a plan amendment due to non-compliance with the pension legislation applicable to the plan under clause (a) of subsection (1) of section 6 of the Agreement;
- (e) the ability of the administrator to administer the amended plan if it does not comply with the applicable pension legislation; and
- (f) requirements for notice of registration of the amendment to be provided to active members or other persons, the form and content of the notice and deadlines for providing such notice.

### **Pension plan administrators**

#### 3. Legislative provisions respecting:

- (a) requirements that a pension plan be administered by an administrator;
- (b) who may be an administrator; and
- (c) the right of active members or other persons to establish an advisory committee to advise the administrator, and requirements respecting such an advisory committee.

### **Pension plan administrators' duties**

#### 4. Legislative provisions respecting:

- (a) requirements that the pension plan administrator or the trustee, custodian or holder of the pension fund:
  - (i) administer the pension plan or pension fund in accordance with the applicable pension legislation and the plan terms;
  - (ii) stand in a fiduciary relationship to active members or other persons;
  - (iii) hold the pension fund in trust for the active members or other persons;
  - (iv) act honestly, in good faith and in the best interests of the active members or other persons;
  - (v) exercise the care, diligence and skill of a prudent person;

- (vi) invest the pension fund in accordance with the applicable pension legislation, the pension plan's written investment policies, in the best interests of the active members or other persons or in a reasonable and prudent manner; and
  - (vii) hold an annual or periodic meeting with the active members or other persons;
- (b) requirements that persons involved in the administration of a pension plan or pension fund:
- (i) employ all knowledge and skill they possess by reason of their business or profession;
  - (ii) familiarize themselves with their fiduciary duties and obligations; and
  - (iii) possess the skills, capability and dedication required to fulfill their responsibilities and seek advice from qualified advisors where appropriate;
- (c) conflict of interest requirements for persons involved in the administration of a pension plan or pension fund;
- (d) requirements for the selection, use and supervision of the administrator's agents or advisors, and requirements for such agents or advisors;
- (e) requirements that the employer or trustee provide information to the administrator; and
- (f) requirements respecting to the payment of expenses related to the pension plan.

### **Pension plan records**

#### 5. Legislative provisions respecting:

- (a) how long any person must retain information related to the pension plan; and
- (b) requests by the plan administrator for information necessary for the administration of the pension plan.

**Funding of ongoing pension plans (not in the case of full or partial plan wind up)**

## 6. Legislative provisions respecting:

- (a) requirements for contributions made to the pension fund (including the type or form of contributions, the manner in which they must be made and deadlines for making them);
- (b) minimum plan funding and solvency levels (including plan funding and solvency levels related to pension plan amendments and the use of plan assets for the funding of plan amendments);
- (c) the ability to take contribution holidays;
- (d) requirements for actuarial valuation reports to be filed with the authority in respect of pension plans (including the form and content of such reports, filing deadlines and actuarial standards to be applied in preparing such reports);
- (e) requirements for refunds of contributions to employers, active members or other persons;
- (f) restrictions on the amount of the commuted value of a person's benefit entitlements under a pension plan that can be transferred out of the pension fund of the plan where the plan is not fully funded on a solvency or going concern basis;
- (g) who may be the trustee, custodian or holder of the pension fund; and
- (h) requirements for the provision of information between administrators and the trustees, custodians or holders of pension funds with respect to contributions, and for notice to the authority of contributions not remitted when due.

**Pension fund investments**

## 7. Legislative provisions respecting:

- (a) requirements for the investment of the pension fund (including limitations on investments and requirements that pension fund assets to be held in the name of the pension plan);
- (b) requirements that the administrator prepare a written investment policy, requirements for such a policy (including the form and content of the policy, whether it must be filed with the authority and the deadline for filing) and requirements regarding to whom such a policy must be provided; and



- (c) requirements in situations where active members or other persons direct the investment of their contributions (including the minimum number and type of investment options offered, the education and advice available to active members or who may provide the advice).

### **Pension fund assets**

#### 8. Legislative provisions respecting:

- (a) requirements for pension fund assets to be held by specified fund holders under a specified type of agreement;
- (b) requirements for contributions to be remitted to the pension fund;
- (c) requirements that the pension fund be held separate and apart from the employer's assets and deeming the pension fund to be held in trust for the active members or other persons;
- (d) an administrator's lien and charge on the employer's assets equal to the amounts deemed held in trust; and
- (e) the administrator's duty to take immediate action (including court proceedings) to obtain outstanding contributions.

### **Provision of information**

#### 9. Legislative provisions respecting:

- (a) requirements for documents and information to be filed by the administrator or any other person with the authority, including:
  - (i) periodic information returns;
  - (ii) actuarial information for defined benefit plans;
  - (iii) financial statements (including audited financial statements); and
  - (iv) the form and content of the documents and information, who must prepare them and filing deadlines;
- (b) requirements for the following documents and information to be provided by the administrator, including the form and content of the documents and information, who must prepare them and deadlines for providing them:
  - (i) pension plan summaries for active members or employees entitled to join the plan; and

- (ii) annual or periodic statements for active members or other persons; and
- (c) requirements for the inspection of pension plan documents in the possession of the administrator, authority or other persons (including who is entitled to inspect the documents and information, how often, where and at what cost).

### **Plan membership**

10. Legislative provisions respecting:

- (a) pension plans being for one or more classes of employees; and
- (b) the ability of the employer to establish separate plans for full-time and part-time employees.

### **Appointment of pension plan administrator**

11. Legislative provisions respecting:

- (a) the ability of the authority to appoint itself or another person as administrator of a pension plan and rescind the appointment; and
- (b) the powers of an appointed administrator.

## ***SECTION 2.***

### ***MAJOR AUTHORITY'S POWERS***

#### **Major authority's powers**

2. Where the pension legislation of the major authority's jurisdiction applies to a pension plan in accordance with section 1 of this Schedule, the following areas of the pension legislation of the major authority's jurisdiction shall, for the purposes of the plan and all jurisdictions that are subject to this Agreement in respect of the plan, also apply in respect of the application of the pension legislation described in section 1 of this Schedule:

#### **Powers of examination, investigation or inquiry**

1. All powers of examination, investigation or inquiry given to the major authority.

#### **Orders, directions, approvals or decisions**

2. The issuance of, or proposal to issue, orders, directions, approvals or decisions by the major authority, and any modification as may be made to such an order, direction, approval or decision by the authority, an administrative body or a court.

**Reconsideration or review**

3. The rights of the plan or a person affected by an order, direction, approval or decision of the major authority, an administrative body or a court to have the order, direction, approval or decision reconsidered or reviewed by the authority, an administrative body or a court.

**Offences and penalties**

4. The offences and penalties that may be applied where the plan or a person is found to have contravened the terms of the applicable pension legislation.

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

IN WITNESS WHEREOF,  
the undersigned, being duly authorized by  
the Lieutenant Governor in Council for British Columbia, has signed  
this 2016 Agreement Respecting Multi-jurisdictional  
Pension Plans.

Signed at Victoria BC,

the 16 day of May, 2016.

(original signed by)

Michael de Jong

Minister of Finance

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

IN WITNESS WHEREOF,  
the undersigned, being duly authorized by  
the Governor in Council for Nova Scotia, has signed  
this 2016 Agreement Respecting Multi-jurisdictional  
Pension Plans.

Signed at Halifax,

the 19 day of May, 2016.

(original signed by)

Randy Delorey

Minister of Finance and Treasury Board

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

IN WITNESS WHEREOF,  
the undersigned, being duly authorized by  
the Lieutenant Governor in Council for Ontario, has signed  
this 2016 Agreement Respecting Multi-jurisdictional  
Pension Plans.

Signed at Toronto,

the 18 day of May, 2016.

(original signed by)

Charles Sousa

Minister of Finance

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

IN WITNESS WHEREOF,  
the undersigned, being duly authorized by  
the Government of Quebec, have signed  
this 2016 Agreement Respecting Multi-jurisdictional  
Pension Plans.

Signed at Québec,  
the 17<sup>th</sup> day of May, 2016.

(original signed by)  
Carlos J. Leitão  
\_\_\_\_\_  
Minister of Finance

Signed at Quebec,  
the 18<sup>th</sup> day of May, 2016.

(original signed by)  
Jean-Marc Fournier  
\_\_\_\_\_  
Minister responsible for Canadian Relations  
and the Canadian Francophonie

**2016 AGREEMENT RESPECTING  
MULTI-JURISDICTIONAL PENSION PLANS**

IN WITNESS WHEREOF,  
the undersigned, being duly authorized by  
the Lieutenant Governor in Council for Saskatchewan, has signed  
this 2016 Agreement Respecting Multi-jurisdictional  
Pension Plans.

Signed at Regina,

the 16 day of May, 2016.

(original signed by)

Gordon Wyant

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Minister of Justice and Attorney General



**TAB B**

This is **Exhibit "B"** referred to in the  
Affidavit of Hamish Dunlop affirmed August 24, 2018



Commissioner for Taking Affidavits (or as may be)

KIRAN PATEL

## ACCORD MULTILATERAL DE RECIPROCITE

## MEMORANDUM OF RECIPROCAL AGREEMENT

ATTENDU que chaque signataire de cet accord possède des fonctions et pouvoirs statutaires relatifs aux régimes de rentes couvrant des employés de la province de sa juridiction;

ATTENDU que, du fait que certains régimes couvrent des employés de plus d'une province, plus d'un signataire peut exercer des fonctions et pouvoirs statutaires relatifs à un régime de rentes;

ATTENDU que lesdits signataires ont considéré qu'il serait souhaitable qu'un seul signataire exerce tous les pouvoirs statutaires et fonctions relatifs à un même régime de rentes, agissant en son nom et au nom de tout autre signataire possédant des fonctions et pouvoirs relatifs à ce régime;

ATTENDU qu'en conséquence, chaque signataire s'est entendu avec chacun des autres signataires dans le sens énoncé ci-dessus;

EN FOI DE QUOI, et en vertu des ententes ci-haut mentionnées, les signataires de cet accord sont liés par les arrangements administratifs suivants:

## 1. Interprétation

Dans le présent accord,

- a) "régime" signifie une caisse ou un régime de retraite ou de rentes;
- b) "autorité" signifie une personne ou un organisme possédant des fonctions et pouvoirs statutaires relatifs à l'enregistrement, la capitalisation, la dévolution, la solvabilité, la

WHEREAS each signatory hereto has statutory functions and powers with respect to pension plans covering employees in the jurisdiction represented by such signatory;

AND WHEREAS, by reason of some pension plans covering employees in more than one jurisdiction, more than one signatory may have statutory functions and powers in respect of the same pension plan;

AND WHEREAS the said signatories have deemed it desirable that statutory functions and powers in respect of any one pension plan be exercised by one signatory only, acting both on its own behalf and on behalf of any other signatory having statutory functions and powers in respect of such plan;

AND WHEREAS each signatory has accordingly agreed with each other signatory to the effect hereinafter set forth;

NOW THEREFORE this Memorandum witnesseth that the signatories hereto are, by virtue of the aforementioned agreements, governed by the following administrative arrangement:

## 1. Interpretation

In this Memorandum,

- a) "plan" means a superannuation or pension fund or plan;
- b) "authority" means a person or body having statutory functions and powers with respect to registration, funding, vesting, solvency, audit, obtaining information, inspec-

vérification, l'obtention de renseignements, l'inspection, la liquidation et autres aspects des régimes;

tion, winding up, and other aspects, of plans;

- c) "autorité participante" signifie une autorité qui est signataire du présent accord;
- d) "autorité majoritaire" signifie, relativement à un régime, l'autorité participante de la province où la majorité des membres du régime sont employés (il ne sera pas tenu compte dans ce calcul des membres employés dans une province qui n'a pas d'autorité participante);
- e) "autorité minoritaire" signifie, relativement à un régime, l'autorité participante de toute province où un ou plusieurs membres du régime sont employés, mais ne signifie pas l'autorité majoritaire.

c) "participating authority" means an authority which is a signatory hereto;

- d) "major authority" means, with respect to a plan, the participating authority of the province where the plurality of the plan members are employed (save that members employed in a province not having a participating authority shall not be counted);
- e) "minor authority" means, with respect to a plan, the participating authority of any province where one or more plan members are employed, but does not include the major authority

2. L'autorité majoritaire de chaque régime exerce à la fois ses propres fonctions et pouvoirs statutaires et les fonctions et pouvoirs statutaires de chaque autorité minoritaire de ce régime.

2. The major authority for each plan shall exercise both its own statutory functions and powers and the statutory functions and powers of each minor authority for such plan.

3. Toute autorité peut s'exclure de l'application de l'article 2 à l'égard d'un régime déterminé en avisant par écrit l'autorité majoritaire d'un tel régime à cet effet (ou bien toutes les autorités minoritaires au cas où l'autorité majoritaire est celle qui s'exclue); et en pareil cas l'autorité qui s'exclue sera considérée comme n'étant plus une autorité participante à l'égard d'un tel régime.

3. Any authority may except itself from the operation of section 2 in respect of a specific plan by giving written notice to that effect to the major authority (or, if the major authority is the excepting authority, then to all the minor authorities) for such plan; and in such event the excepting authority shall be deemed not to be a participating authority in respect of such plan

4. Toute autorité participante peut s'exclure de l'application de l'article 2 à l'égard de tous régimes pour lesquels, n'était-ce cette exclusion, elle agirait comme autorité majoritaire; dans ce cas, et seulement aux fins de déterminer l'autorité majoritaire régissant chacun desdits régimes, elle ne sera pas considérée comme autorité participante.

4. Any participating authority may except itself from the operation of section 2, in respect of all plans for which it would, but for such exception, act as the major authority; and in such event it shall, for the purpose only of determining the major authority of each such plan, be deemed not to be a participating authority.

5. Toutes les autorités participantes qui possèdent des fonctions et pouvoirs statutaires à l'égard d'un

5. All participating authorities having statutory functions and powers in respect of a specific

régime déterminé peuvent s'entendre et considérer l'une d'entre elles comme étant l'autorité majoritaire à l'endroit de ce régime.

plan may concur in deeming one of their number to be the major authority for such plan.

6. Lorsque les circonstances entourant un régime déterminé changent de telle sorte qu'une autorité participante devient, ou cesse d'être, une autorité minoritaire de ce régime, l'autorité majoritaire doit en aviser cette autorité minoritaire.

6. Where changing circumstances in respect of a specific plan result in a participating authority becoming or ceasing to be, a minor authority for such plan, such minor authority shall be advised accordingly by the major authority.

7. Lorsque les circonstances entourant un régime déterminé changent de telle sorte qu'il en résulte un changement de l'autorité majoritaire, toutes les autorités minoritaires en seront avisées et l'ancienne autorité majoritaire fournira à la nouvelle autorité majoritaire tous documents et renseignements relatifs à ce régime.

7. Where changing circumstances in respect of a specific plan result in a change in the major authority for such plan, all minor authorities for such plan shall be advised accordingly, and the former major authority shall deliver all documents and information concerning such plan to the new major authority.

8. Une autorité majoritaire agissant en vertu de l'article 2 fournira à chaque autorité minoritaire des renseignements complets concernant l'exercice de toute fonction et de tout pouvoir exercés au nom de cette autorité minoritaire.

8. A major authority acting pursuant to section 2 shall fully inform each minor authority as to the exercise of any functions and powers exercised on behalf of such minor authority.

9. Lorsqu'une autorité majoritaire est incapable d'exercer un pouvoir dont dispose l'une des autorités minoritaires, elle en avisera cette autorité minoritaire.

9. Where a major authority is unable to exercise a particular power of enforcement available to one of the minor authorities, it shall so advise that minor authority.

10. La participation de toute autorité à l'arrangement administratif qui précède commence à la date où elle signe cet accord (la signature ne doit être apposée qu'avec le consentement de tous les signataires précédents), et elle cesse le 31 décembre 1970, à moins que ladite autorité ne renonce avant cette date à cette terminaison. Cependant, toute autorité peut mettre fin à sa participation à cet arrangement administratif au moyen d'un avis écrit d'un an envoyé en même temps à toutes les autres autorités participantes.

10. Participation by any authority in the foregoing Administrative Arrangement commences upon the date it becomes a signatory to this Memorandum (such signature to be affixed only with the consent of all prior signatories), and terminates on the 31st day of December, 1970, unless such authority disclaims such termination prior to that date; provided that any authority may terminate its participation in this Administrative Arrangement by contemporaneous delivery of one year's written notice to the other participating authorities.

11. Du fait qu'une autorité signe cet accord, elle conclut des accords de réciprocité avec toutes les autres autorités participantes.

11. Execution of this Memorandum by any authority shall evidence its entry into reciprocal agreements with all the other participating authorities.

12. "The Pension Commission of Ontario" est le dépositaire de cet accord jusqu'à ce que toutes les autorités participantes s'entendent sur le choix d'un autre dépositaire; et le dépositaire informera toutes les autorités participantes de la signature de cet accord par une autorité participante subséquentement à la date des présentes.

12. The Pension Commission of Ontario shall be the depository of this Memorandum, until such time as the participating authorities agree to another depository; and the depository shall inform all participating authorities in connection with the execution of this Memorandum by any participating authority subsequent to the date hereof.

EN FOI DE QUOI les autorités soussignées apposent leurs signatures sur le présent accord réciproque:

IN WITNESS WHEREOF the undersigned authorities do hereby execute this Memorandum of Agreement

LA REGIE DES RENTES DU QUEBEC

QUEBEC PENSION BOARD

June 27, 1968

  
Membre de la Regie


June 27, 1968

  
Member of the Board


LA COMMISSION DES RENTES DE L'ONTARIO

THE PENSION COMMISSION OF ONTARIO

June 27, 1968

  
Président

June 27, 1968

  
Chairman

LE SURINTENDANT DES RENTES, ALBERTA

THE SUPERINTENDENT OF PENSIONS, ALBERTA

June 27, 1968

  
Surintendant

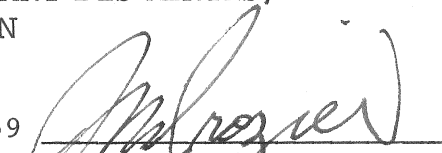
June 27, 1968

  
Superintendent

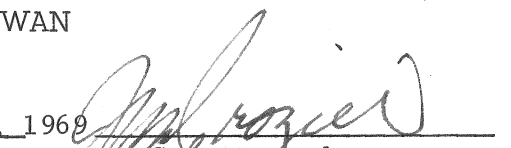
LE SURINTENDANT DES RENTES, SASKATCHEWAN

THE SUPERINTENDENT OF PENSIONS, SASKATCHEWAN

February 5, 1969

  
Surintendant

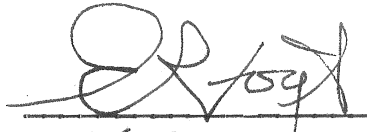
February 5, 1969

  
Superintendent

LA COMMISSION DES RENTES DU MANITOBA

THE PENSION COMMISSION OF MANITOBA

7/x/76

  
Président

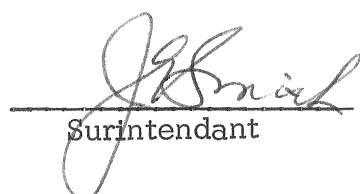
7/x/76

  
Chairman

LE SURINTENDANT DES RENTES, NOVA SCOTIA

THE SUPERINTENDENT OF PENSIONS, NOVA SCOTIA

May 3, 1977

  
Surintendant

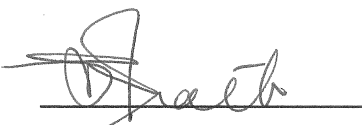
May 3, 1977

  
Superintendent

- 5-

LE SURINTENDANT DES RENTES,  
TERRE NEUVE

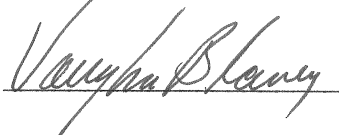
February 26, 1986



Surintendant

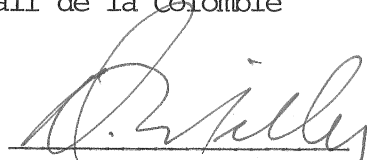
Ministre Enseignement supérieur et Travail

juin 1, 1992



Ministre de la main d'oeuvre, de la  
formation et du travail de la Colombie  
britannique

FEB. 16, 1994



THE SUPERINTENDENT OF PENSIONS,  
NEW FOUNDLAND

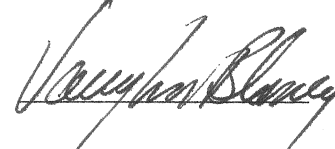
February 26, 1986



Superintendent

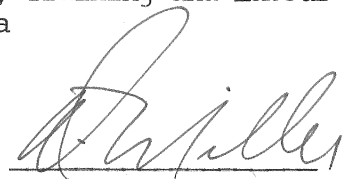
Minister Advanced Education and Labour  
New Brunswick

June 1, 1992



Minister of Skills, Training and Labour  
of British Columbia

FEB. 16, 1994







THIS MEMORANDUM OF AGREEMENT SIGNED IN  
DUPLICATE THE 29th DAY OF AUGUST 1968

BETWEEN:

THE MINISTER OF FINANCE FOR CANADA,  
OF THE FIRST PART

AND:

PENSION COMMISSION OF ONTARIO  
OF THE SECOND PART

WITNESSETH THAT WHEREAS the Minister of Finance for Canada is charged with the direction of the Superintendent of Insurance in the administration of the Pension Benefits Standards Act;

AND WHEREAS the Pension Commission of Ontario is charged with the administration of The Pension Benefits Act, 1965;

AND WHEREAS certain pension plans are subject to the provisions of both the Pension Benefits Standards Act and The Pension Benefits Act, 1965, and it is desirable in such cases that both statutes be administered by one administrative authority acting on its own behalf and on behalf of the other administrative authority;

AND WHEREAS the Governor in Council by Order in Council P.C. 1968-11/1487 dated the 31st day of July 1968 and the Lieutenant Governor of Ontario in Council by Order in Council OC-2693/68 dated the 27th day of June 1968 have authorized the Minister of Finance for Canada and the Pension Commission of Ontario respectively to enter into this agreement;

NOW THEREFORE this Memorandum of Agreement witnesseth as follows:

1. In this Memorandum of Agreement:

(a) "plan" means a pension plan one or more members of which are employed within the province of Ontario;

(b) "included employment" has the same meaning as in the Pension Benefits Standards Act;

(c) "Superintendent" means the Superintendent of Insurance appointed under the Department of Insurance Act, Revised Statutes of Canada, 1952, Chapter 70;

(d) "Minister" means the Minister of Finance for Canada;

LE PRÉSENT MÉMOIRE DE CONVENTION SIGNÉ EN DEUX  
EXEMPLAIRE LE 29<sup>ième</sup> JOUR DU MOIS D'AOUT 1968

ENTRE:

LE MINISTRE DES FINANCES DU CANADA,  
D'UNE PART

ET:

LA "PENSION COMMISSION OF ONTARIO"  
D'AUTRE PART

ÉTANT EXPOSÉ que le ministre des Finances du Canada est chargé de diriger le surintendant des assurances quant à l'application de la Loi sur les normes des prestations de pension;

ET ATTENDU que la "Pension Commission of Ontario" est chargée d'administrer The Pension Benefits Act, 1965;

ET ATTENDU que certains régimes de pensions sont assujettis à la fois aux dispositions de la Loi sur les normes des prestations de pension et The Pension Benefits Act, 1965, et qu'il est souhaitable en de tels cas que l'un et l'autre de ces statuts soient appliqués par une seule autorité administrative agissant pour son propre compte et pour le compte de l'autre autorité administrative;

ET ATTENDU que le gouverneur en conseil, par décret en Conseil du Conseil privé P.C. 1968-11/1487 en date du 31 juillet 1968 et que le lieutenant-gouverneur de l'Ontario en conseil, par décret en Conseil OC-2693/68 daté du 27 juin 1968, ont autorisé le ministre des Finances du Canada et la "Pension Commission of Ontario" respectivement à conclure la présente convention;

EN FOI DE QUOI, le présent mémoire de convention atteste ce qui suit:

1. Au présent mémoire de convention:

a) "régime" désigne un régime de pension dont l'un ou plusieurs des affiliés sont employés dans la province d'Ontario;

b) "emploi inclus" a la même signification que dans la Loi sur les normes des prestations de pension;

c) "surintendant" désigne le surintendant des assurances nommé en vertu de la Loi sur le département des assurances, Statuts révisés du Canada, 1952, chapitre 70;

d) "Ministre" désigne le ministre des Finances du Canada;

(e) "Commission" means the Pension Commission of Ontario;

(f) "The Pension Benefits Act, 1965" means Chapter 96 of the Statutes of Ontario, 1965 and regulations made thereunder, all as may be from time to time amended;

(g) "Pension Benefits Standards Act" means Statutes of Canada, 1966-67, Chapter 92, and regulations made thereunder, all as may be from time to time amended;

(h) "interprovincial agreement" means the agreement in writing, dated the 27th day of June 1968 between inter alia the Commission and Quebec Pension Board, in relation to the administration of pension plans; and

(i) "party" insofar as it refers to the Minister shall be deemed to include the Superintendent.

2. The Commission will authorize the Superintendent to exercise and perform its powers and functions under The Pension Benefits Act, 1965, in relation to the registration, audit and inspection of each plan the majority of the members of which are employed in included employment.

3. The Commission will authorize the Superintendent to exercise and perform its powers and functions under The Pension Benefits Act, 1965, in relation to the registration, audit and inspection of each plan more members of which are employed within the Yukon Territory and the Northwest Territories together than within the territorial limits of any province represented by a party to the interprovincial agreement.

4. The Minister will authorize the Commission to exercise and perform on behalf of the Superintendent the powers and functions of the Superintendent under the Pension Benefits Standards Act in relation to every plan:

(a) one or more members of which, but not the majority, are employed in included employment,

(b) to which clause 3 hereof does not apply, and

(c) in relation to which the Commission is the major authority under the terms of the interprovincial agreement.

5. The authorization contemplated by clauses 2, 3 and 4 hereof will be granted as soon as is reasonably possible in respect of each plan, and the Commission or the Superintendent as the case may be will acknowledge in writing such authorization in respect of each plan upon its being granted.

e) "Commission" désigne la "Pension Commission of Ontario";

f) "The Pension Benefits Act, 1965" désigne le chapitre 96 des Statuts de l'Ontario de 1965 et les règlements établis sous son régime tels qu'ils peuvent être modifiés à l'occasion;

g) "Loi sur les normes des prestations de pension" désigne le chapitre 92 des Statuts du Canada de 1966-1967 et les règlements établis sous son régime tels qu'ils peuvent être modifiés à l'occasion;

h) "accord interprovincial" désigne l'accord écrit, en date du 27<sup>ème</sup> jour de juin 1968, passé, entre autres, entre la Commission et la Régie des rentes du Québec, relativement à l'administration des régimes de pensions; et

i) "partie" dans la mesure où ce mot s'applique au Ministre est censé inclure le surintendant.

2. La Commission autorisera le surintendant à exercer ses fonctions et pouvoirs en vertu de The Pension Benefits Act, 1965, relativement à l'enregistrement, à la vérification et à l'inspection de chaque régime dont la majorité des affiliés sont employés dans des emplois inclus.

3. La Commission autorisera le surintendant à exercer ses fonctions et pouvoirs en vertu de The Pension Benefits Act, 1965, relativement à l'enregistrement, à la vérification et à l'inspection de chaque régime qui a plus d'affiliés employés dans le Territoire du Yukon et les Territoires du Nord-Ouest que dans les limites territoriales d'une province représentée par une partie à l'accord interprovincial.

4. Le Ministre autorisera la Commission à exercer, au nom du surintendant, les fonctions et pouvoirs du surintendant en vertu de la Loi sur les normes des prestations de pension relativement à chaque régime:

a) dont un ou plusieurs affiliés, mais non la majorité, sont employés dans des emplois inclus,

b) auquel l'article 3 des présentes ne s'applique pas, et

c) dont la Commission est l'autorité majoritaire aux termes de l'accord interprovincial.

5. L'autorisation prévue aux articles 2, 3 et 4 des présentes sera accordée dès qu'il sera raisonnablement possible de le faire relativement à chaque régime, et la Commission ou le surintendant, selon le cas, reconnaîtront par écrit cette autorisation relativement à chaque régime dès que celle-ci sera accordée.

6. Any authority granted pursuant to this Memorandum of Agreement ceases when due to changing circumstances the clause hereof pursuant to which such authority was granted ceases to apply to the plan in relation to which it was granted, and in each such case each party will forthwith notify the other accordingly in writing.

6. Une autorisation accordée aux termes du présent mémoire de convention cesse d'être en vigueur lorsque, par suite de circonstance changeantes, l'article des présentes, aux termes duquel cette autorisation a été accordée, cesse de s'appliquer au régime relativement auquel elle a été accordée et, dans chaque cas de ce genre, chacune des parties avisera immédiatement l'autre partie par écrit en conséquence.

7. The Minister or the Commission may at any time by notice in writing to the other party withdraw a specified plan or plans from the operation of this Memorandum of Agreement whereupon the Superintendent or the Commission as the case may be will continue or resume the exercise and performance of his or its respective statutory powers and functions in respect of such plan or plans.

7. Le Ministre ou la Commission peut, en tout temps, par avis écrit à l'autre partie, soustraire un régime ou des régimes déterminés à l'application du présent mémoire de convention sur quoi le surintendant ou la Commission, selon le cas, continueront ou reprendront l'exercice de leurs fonctions et pouvoirs statutaires respectifs relativement à ce ou à ces régimes.

8. All powers and functions authorized to be exercised or performed pursuant to this Memorandum of Agreement will be diligently exercised and performed, and at least once each year each party will inform the other of all steps taken by it in the exercise and performance of such powers and functions.

8. Tous les pouvoirs et fonctions dont le présent mémoire de convention autorise l'exercice seront exercés avec diligence et, au moins une fois l'an, chaque partie informera l'autre de toutes mesures prises par elle dans l'exercice de ces pouvoirs et fonctions.

Each party or its authorized representative is entitled at any reasonable time to inspect the records of the other relating to any plan subject to the operation of this Memorandum of Agreement.

9. Chaque partie, ou son représentant autorisé, a droit, à tout moment raisonnable, d'inspecter les dossiers de l'autre partie relativement à un régime soumis à l'application du présent mémoire de convention.

10. Neither party will initiate, defend or respond on behalf of the other party to any legal proceedings in relation to a plan, and in the event either party receives notice of any legal proceedings relating to a plan subject to the operation of this Memorandum of Agreement it will immediately notify the other party.

10. Ni l'une ni l'autre des parties ne doit engager des procédures judiciaires, ni être défenderesse ou intimée dans de telles procédures, pour le compte de l'autre partie, relativement à un régime, et, advenant que l'une ou l'autre partie reçoive un avis de procédures judiciaires relativement à un régime soumis à l'application du présent mémoire de convention, elle en avisera immédiatement l'autre partie.

11. If either party is for any reason unable or unwilling to exercise or perform any power or function it is authorized to exercise or perform hereunder it will immediately so notify the other party in writing.

11. Si, pour une raison quelconque, l'une ou l'autre partie ne peut pas ou ne veut pas exercer quelque fonction et pouvoir qu'elle est autorisée à exercer aux termes des présentes, elle en avisera immédiatement l'autre partie par écrit.

12. This agreement terminates on the 31st day of December, 1970, unless the parties otherwise agree in writing on or before that date. In the event that by agreement of the parties this agreement does not terminate on or before the 31st day of December, 1970, then, subject to any agreement to the contrary, either party may terminate this agreement by giving three months' notice in writing to the other party of its intention to terminate, and upon the expiration of the said three months this agreement shall terminate.

12. Cet accord se terminera le 31 décembre 1970, à moins que les parties ne s'entendent autrement par écrit d'ici cette date. Si, par suite d'une entente entre les parties, cet accord ne se termine pas d'ici le 31 décembre 1970, alors, à moins d'une entente contraire, chaque partie pourra terminer cet accord en donnant un avis écrit de trois mois à l'autre partie, l'informant de son intention de terminer l'accord et, à l'expiration de cette période, cet accord sera terminé.

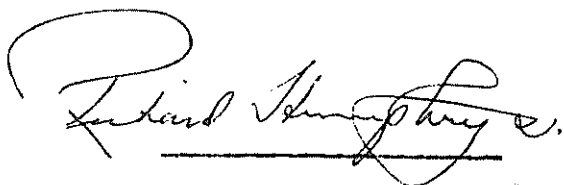
13. Upon the termination of this agreement each party shall forthwith turn over to the other party all such records, documents and other things with respect to plans as are necessary to enable such other party to perform and exercise its own statutory functions and powers with respect to such plans.

13. A la terminaison du présent accord, chaque partie fournira immédiatement à l'autre partie tout registre, dossier et autres documents nécessaires pour lui permettre d'exercer ses propres fonctions et pouvoirs statutaires relativement à ces régimes.

IN WITNESS WHEREOF this Memorandum of Agreement has been duly executed by the Minister of Finance for Canada and the Pension Commission of Ontario the day, month and year first above mentioned.

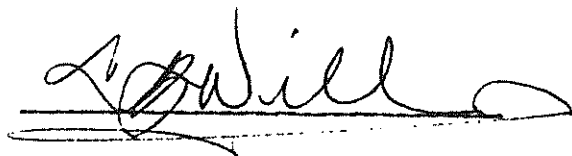
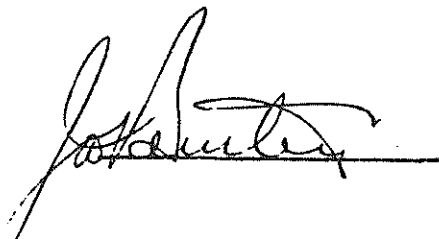
EN FOI DE QUOI le présent mémoire de convention a été dûment signé par le ministre des Finances du Canada et par la "Pension Commission of Ontario" les jour, mois et an ci-dessus mentionnés en premier lieu.

WITNESSES  
TEMOINS



MINISTER OF FINANCE  
FOR CANADA

MINISTRE DES FINANCES  
DU CANADA



CHAIRMAN OF THE  
PENSION COMMISSION OF  
ONTARIO

PRÉSIDENT DE LA  
PENSION COMMISSION OF  
ONTARIO



18-1-7

December 17, 1970.

Minister of Finance  
Ministre des Finances

Mr. Gordon R. Carton, Q.C., M.P.P.,  
Chairman,  
Pension Commission of Ontario,  
454 University Avenue,  
Toronto 100, Ontario.

Dear Mr. Chairman:    Re: Agreement Between the Minister of Finance for  
Canada and the Pension Commission of Ontario

As you are aware, the agreement between the Minister of Finance for Canada and the Pension Commission of Ontario, dated August 29, 1968, and relating to the elimination of duplication in administrative procedures in the supervision of pension plans subject to the Pension Benefits Standards Act and The Pension Benefits Act, 1965, is due to expire on December 31, 1970, unless the parties agree otherwise in writing on or before that date.

I believe that it is desirable that the agreement referred to above continue in force and I am given to understand that the Pension Commission of Ontario holds a similar view. Consequently, I hereby agree to extend the agreement indefinitely, subject, of course, to the provisions contained in section 12 of the agreement permitting either party to terminate the agreement by giving the other party three months' notice in writing of the intention to terminate the agreement.

If the extension of the agreement is acceptable to the Pension Commission of Ontario, would you, please, sign both copies of this letter and return one copy in the enclosed envelope.

Yours sincerely,

  
E. J. Benson,  
Minister of Finance for Canada.

  
Gordon R. Carton, Chairman,  
Pension Commission of Ontario.