



B.C. Federation of Retired Union Members

200 - 5118 Joyce Street, Vancouver, B.C. V5R 4H1 • 604 688-4565 • 1-800-896-5678

Fax: 604 430-5917 • bcforum@bcfed.ca • www.bcforum.ca • facebook.com/BCRetiredUnionMembersForum

Sept. 24, 2019

Mr. Jeremy Rudin

Superintendent

Office of the Superintendent of Financial Institution

255 Albert Street, 12th Floor

Ottawa, Ontario K1A 0H2

information@osfi-bsif.gc.ca

Office of the Superintendent of Financial Institutions (OSFI) guidance regarding reducing amendments for defined-benefit pension plans (PBSA)

The B.C. Federation of Retired Union Members (BC FORUM) is taking this opportunity to make a submission about the Office of the Superintendent of Financial Institutions (OSFI) consultation in regards to proposed changes to the "Instruction Guide"

BC FORUM represents thousands of retired and active workers from unions affiliated to the BC Federation of Labour. We are a registered non-profit society for union members aged 50 and up. BC FORUM is dedicated to representing the well-being of our members, their families and their spouses.

Some of our BC FORUM members have a workplace pension when they retire. Other BC FORUM members have Defined Benefit Pension Plans, or Target Benefit Pension Plans. Some of our members have Defined Contribution Pension Plans.

BC FORUM members know from our lived experiences that retirement security is crucial. After a lifetime of hard work, we should not have to struggle to make ends meet. BC FORUM members know that many of our members live in fear that their pensions may be changed, and this would negatively change their retirement.

While the pensions of most of our members are regulated by the BC Superintendent of Pensions, we have a number of members whose pensions are regulated by the Federal Office of the Superintendent of Financial Institutions (OSFI).

For OSFI to make amendments to their instruction guide is concerning to us.

We are asking that these changes be immediately rescinded.

OSFI said in their call for consultations that "there are no significant policy changes" in their proposed document. BC FORUM disagrees with this statement.

BC FORUM is asking that these changes be rescinded.

1. Modifications as to what constitutes a reducing amendment

BC FORUM's first concern is the proposed modifications to what constitutes a reducing amendment. The proposed changes outline that a reducing amendment could be a change that reduces or could reduce an accrued benefit. This change is not minor, and strikes fear into our members as it could mean that the accrued value of pensions could be eliminated or reduced.

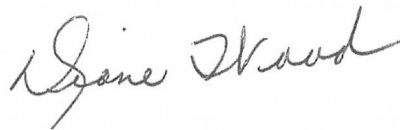
2. Consent/amendment powers

BC FORUM is also concerned about the proposed changes to the consent/amendment powers. The 2012 Instruction Guide contained language that said "Under the discussion of amendment powers, the 2012 Instruction Guide indicated that "where the plan's amendment power does not permit a unilateral amendment, OSFI expects unanimous agreement to the Reducing Amendment by all affected groups." The proposed changes replace this high standard for consent with a requirement for the consent of individual plan members, or a bargaining agent consenting on behalf of a unionized member. The proposed changes state "Where the plan's amendment power does not allow for a Reducing Amendment, OSFI would expect written agreement to the Reducing Amendment by anyone (e.g., member, former member or survivor) whose pension benefit would be reduced by that amendment. A bargaining agent could agree on behalf of a unionized member if authorized to do so."

This worries us. It puts undue stress on retirees and survivors, especially isolated and vulnerable persons. It is not clear to us, whether these changes mean that if a retiree or survivor does not opt for the changes, whether or not their pension could be changed.

BC FORUM strongly opposed Bill C-27. It seems that OSFI is trying to do what Bill C-27 tried to do, with the stroke of a pen. We strongly disagree with that.

Thank you for your attention to this.



Diane Wood
President
BC FORUM