# RE: Update on Torstar/CAAT Pension Plan Merger

**From:** "Baker, Michelle (OPO)" <michelle.baker@ontario.ca>
**To:** "Bevan, Andrew (OPO)" <andrew.bevan@ontario.ca>
**Cc:** "Porter, Maddy (OPO)" <maddy.porter@ontario.ca>
**Date:** Tue, 17 Apr 2018 16:40:47 -0400

Great, thank you!

**From:** Bevan, Andrew (OPO)
**Sent:** April-17-18 4:39 PM
**To:** Baker, Michelle (OPO)
**Cc:** Porter, Maddy (OPO)
**Subject:** Re: Update on Torstar/CAAT Pension Plan Merger

Thanks this is sufficient so can go to maddy

Sent from my BlackBerry 10 smartphone on the Rogers network.

**From:** Baker, Michelle (OPO)
**Sent:** Tuesday, April 17, 2018 4:37 PM
**To:** Bevan, Andrew (OPO)
**Cc:** Porter, Maddy (OPO)
**Subject:** Update on Torstar/CAAT Pension Plan Merger

Hello,

Andrew – I wanted to share this before it went to the Premier, as Maddy had asked for an update for you both and I was not sure if you were looking for more than this, or if this is sufficient.

Thank you,
Michelle

Premier,

On Tuesday, April 17th Treasury Board approved a submission where the Ministry of Finance proposed to amend a Pension Benefits Act (PBA) regulation to allow Torstar's 8 pension plans (8 private sector single-employer pension plans – SEPPs) to join the Colleges of Applied Arts and Technology's (CAAT) public sector jointly-sponsored pension plan (JSPP). The PBA's current merger framework is limited to public sector plans and to any specific pension plans prescribed in regulation, and since Torstar's pension plans (8 in total) are not public sector pension plans, and not previously prescribed, they needed to be added.

MOF, Treasury Board and CAAT all did their own due diligence, and while there is little risk, it is important to note that:

- Torstar will not have a role in the governance of CAAT, as it is very small addition

to the plan. This is the same with a number of other small employers that currently make up CAAT's membership
  - Torstar is aware and in agreeance with this

- CAAT has been actively seeking new members and the addition of Torstar helps further this goal by improving the funded status of their plan, and with little risk as they are currently funded at 119%, with approximately $10B in assets.
- It is a much bigger "win" for Torstar as the larger membership and employment base of CAAT spreads Torstar's pension risk. Torstar will also see reduced costs and greater contribution stability as contributions for a JSPP are fixed and employers and members are equally responsible for funding.
- Also, Torstar will no longer be required to pay into the Pension Benefits Guarantee Fund (PBGF) as JSPP pension benefits are not guaranteed by the PBGF

There are no expected costs to government as the liabilities of the Torstar plans will be excluded from the provincially consolidated expenses of CAAT.

At the time of this note, Cabinet on Wednesday, April 18th has not yet occurred, where this approval will be part of the Treasury Board report back for Cabinet approval at that time.

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