FW: TBS question re ITA Excess Surplus

From: "Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
To: "Colley, Matthew (CA - Toronto) (mcolley@deloitte.ca)" <mcolley@deloitte.ca>, "Danyluk, Kerry (CA - Toronto)" <kdanyluk@deloitte.ca>
Cc: "Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date: Sat, 24 Sep 2016 23:00:43 -0400

FYI. n

From: Hatzis, Len (TBS)
Sent: September-24-16 10:58 PM
To: Veinot, Cindy (TBS); Petsche, Nadine (TBS)
Cc: Kaufman, Paul (TBS); Kearney, Sean (TBS)
Subject: Fw: TBS question re ITA Excess Surplus

Cindy /nadine
Let me know if this addresses what you required. Thanks
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Steele, Jana <JSteele@osler.com>
Sent: Saturday, September 24, 2016 6:00 PM
To: Hatzis, Len (TBS)
Cc: Carson, Brenda
Subject: TBS question re ITA Excess Surplus

Hi Len:
Further to our discussion and your emails, we have reviewed the emails you provided. The following is a brief overview of the excess surplus rule under the ITA:

Under the ITA, all pension plans that have a defined benefit provision (including JSPPs) are prohibited from receiving further employer contributions while the plan holds an "excess surplus". The rules in the ITA operate such that essentially if an actuarial valuation illustrates that a pension plan's assets are greater than 125% of the plan's liabilities, the plan is considered to have an excess surplus and employer contributions are prohibited until such time as the excess surplus can be eliminated (or, alternatively, benefit improvements are provided – in this case the actuarial valuation has to include the improvements). The prohibition of ongoing contributions under the ITA rules generally applies to the employer. However, depending on the contractual terms, the prohibition could apply to both members and the employer.

Please let us know if you have any further questions or if we may be of further assistance.
Best regards,
Jana Steele
