



ACPM/ACARR

The Association of Canadian Pension Management

L'Association canadienne des administrateurs de régimes de retraite

March 30, 2009

Superintendent of Pensions
Alberta Finance and Enterprise
Room 402, 9515 – 107 Street
Edmonton, AB
T5K 2C3

Subject: Pension Funding Relief Provisions - 2009

Dear Sir,

On behalf of the Alberta Regional Council of the Association of Canadian Pension Management (ACPM), we are writing to express our concerns regarding the policies set out in EPPA Update 09-01 as clarified in EPPA Update 09-02. While our membership welcomes the pension funding relief provided in the recent amendments to Schedule 0.2 of the EPPA Regulations, we are concerned that your administrative policies in respect of the relief narrow the scope of the regulations as drafted. Specifically, we request that relief be available for solvency deficiencies identified in reports with a review date up to and including December 31, 2009.

EPPA Update 09-02 states: “Given that the intent of the Regulation amendment was to address events occurring in 2008, it is not within the stated objectives to provide relief based on 2009 experience as well.”

Excerpts from the amended regulations imply a different intent, including:

3.1(4)(a) “the actuarial valuation report and cost certificate, as at the review date, **not** being before September 1, 2008 or **after December 31, 2009 ...**”¹

and

3.2(3) “The solvency deficiency ... must be one created after August 31, 2008 and **before 2010** and identified in an actuarial valuation report and cost certificate that
a) are prepared as of a review date between September 1, 2008 and **December 31, 2009 ...**”¹

¹ Alberta Regulation 35/2000, Employment Pension Plans Regulation (emphasis added)

In both cases, valuations with a review date of December 31, 2009 appear to be contemplated by the regulation.

We recognize that the funding relief is intended to apply specifically to the impact of recent investment market losses, and does not reflect changes in long term funding policy. However, we wish to remind you that investment losses did not cease on December 31, 2008; losses continued to grow significantly in the early part of 2009. The S&P/TSX Composite Index lost almost 10% of its value in January and February. The equity markets have rallied recently, but it is by no means clear that the rally will be sustained. Plan sponsors with a December 31 plan year-end who are not required to file a 2008 valuation report would benefit from having the flexibility to see how 2009 experience develops before choosing whether or not to apply for funding relief.

We respectfully request that you amend your administrative policies to permit the use of valuation reports with a review date of December 31, 2009 for the purposes of funding relief applications, as permitted by the Employment Pension Plans Regulation. This change could be accomplished by requiring applications for relief to be filed before January 1, 2010, subject to subsequently filing the corresponding valuation report within a defined period, e.g., within 120 days.

Yours sincerely,



Bryan Hocking
Chief Executive Officer