

Memorandum



To: Our Ontario Pension Clients

From: Jason Vary, President

Date: March 23, 2020

Re: COVID-19

Needless to say, we are all impacted in various ways by COVID-19 and the significant measures being taken to control its spread. On Friday, the Financial Services Regulatory Authority of Ontario (FSRA) published an update regarding [COVID-19](#) to their website.

Deadline Extensions

FSRA has reminded pension plan administrators that they may request automated deadline extensions of up to 60 days in the FSRA Pension Services Portal. They also made a point to say that if an extension of more than 60 days is needed to contact your assigned Pension Officer directly, preferably by email.

At this point, no deadline extensions are needed for any of our clients; but rest assured that ASI continuously monitors deadlines and proactively contacts clients at risk of missing a deadline.

Note that these deadline extensions only apply to formal regulatory filings, such as Annual Information Returns, Actuarial Valuation Reports, financial statements, etc.

Relief from Administrative Monetary Penalties

While FSRA cannot formally provide for deadline extensions for member disclosures (such as annual member statements, termination option forms, retirement option forms, etc.) they have said that as long as you provide advance notice to FSRA along with your proposed plan of action, they will not levy Administrative Monetary Penalties (AMPs) with respect to the non-compliance.

Again, no action is currently required by any of our clients, but we will notify you should this change.

Transfer Ratio Monitoring

As a reminder, pension plan administrators are required to monitor the funded status of their pension plans on at least a quarterly basis and to seek approval from FSRA prior to making transfers if the transfer ratio has decreased by more than 10% since the last valuation.

We remind you that ASI monitors the transfer ratio for all of our clients' pension plans on a monthly basis and contacts clients on an "as needed" basis.

Timing of Funding Valuations

It's a bit too early to make any credible predictions, but if current market trends continue through to the end of 2020, then any pension plan requiring a funding valuation as at the end of the year may be in a considerably worse financial position than the beginning of 2020 (assuming that the plan has not substantially de-risked and continues to hold a significant portion of equity investments).

There is however the opportunity to perform an early funding valuation in advance of the next required valuation date; provided that the report is filed with FSRA within nine months of the valuation date. The potential benefits of performing an early valuation include the extension of the triennial valuation period.

We will contact clients in this situation later in 2020 to discuss the merits of an early valuation.

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Please feel free to contact your consultant (Jason, Dean, Carly or Joe) if you would like to discuss any of the above.

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