



Notice to Current and Former Members of the Multi-Sector Pension Plan (the “MSPP” or “Plan”) (FSCO Registration No. 1085653)

November 15, 2024

The MSPP is changing how benefits being transferred out of the Plan in respect of its Ontario members are calculated effective January 1, 2025, in accordance with changes to Ontario’s law governing pension plans. The Plan’s rules are being amended to reflect this change. This change will **not** affect how the Plan’s pensions are calculated or paid.

Background

There are two kinds of pension plan funding. Going concern funding assumes a plan will continue indefinitely. Solvency funding assumes it was terminated and all benefits were paid immediately. Solvency funding is, therefore, based on short term market assumptions while going concern funding is based on longer term market assumptions. Under pension legislation, going concern funding is the key funding calculation for pension plans like the MSPP.

Going concern funding makes sense for the MSPP since it has approximately 300 contributing employers and there are no plans to terminate it. As of January 1, 2024, it was fully funded on a going-concern basis and 73.7% funded on a solvency basis.

Most jurisdictions in which the MSPP has members permit multi-employer plans to provide that a benefit being transferred out of the plan, known as a commuted value, is to be calculated on a going concern basis and reflect the going concern funded status of the plan to a maximum of 100%. This is also permitted by the standards prescribed by the Canadian Institute of Actuaries. This is how benefits being transferred out of the Plan are now calculated for all Plan members except Ontario members because of restrictions under Ontario law.

Ontario is changing this law. In response, the MSPP benefits being transferred out of the Plan in respect of Ontario members who have a break in service after December 31, 2024 will be determined on a going-concern basis and reflect the going concern funded status of the MSPP to a maximum of 100%. (Only former members younger than 55 have a one-time, time limited option to elect to transfer their benefits out of the Plan.)

Death benefits, which are not paid as a pension, will also be determined on a going concern basis and will reflect the going concern funded status of the Plan, to a maximum of 100%.

Comments on the Amendment

If you have any comments about this change, you can provide them to the MSPP's Board of Trustees, or the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario ("FSRA") using the contact information below.

MSPP Board of Trustees 105 Commerce Drive West, Suite 310 Markham, ON L3T 7W3 Phone: 905-889-6200 or 1-800-287-4816 E-mail: info@mspp.ca Website: www.mspp.ca	Chief Executive Officer Financial Services Regulatory Authority of Ontario 25 Sheppard Avenue West, Suite 100 Toronto, ON M2N 6S6 Phone: 416-250-7250 E-mail: contactcentre@fsrao.ca
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Registration Process

The amendment will soon be filed FSRA for registration. It may be registered 45 days after the date this notice was distributed.

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