

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c. P.8 (the “Act”), in particular subsections 78(1) and 79(3.1);

AND IN THE MATTER OF the Toronto Civic Employees’ Pension and Benefit Fund, Registration Number 0351593 (the “Plan”).

NOTICE OF INTENDED DECISION

TO: City of Toronto
Metro Hall
55 John Street
13th Floor
Toronto ON M5V3C6

Attention: Hatem Belhi
Director, Pension, Payroll & Employee Benefits

Employer & Applicant

AND TO: Paul W. Litner
Osler, Hoskin & Harcourt LLP
6200-100 King Street W
Toronto ON M5X 1B8

Legal Counsel for the Applicant

AND TO: Anthony Guindon
Associate
Koskie Minsky LLP
20 Queen Street West, Suite 900
Toronto ON M5H 3R3

Legal Counsel for the retired members, survivors and the Member Committee.

TAKE NOTICE THAT pursuant to subsections 78(1) of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Head, Pension Plan Operations and Regulatory Effectiveness (the “Head”), intends to make an order to consent to the payment of surplus in respect of the Plan to the City of Toronto in the amount of \$56,268,700 as at November 30, 2019, plus investment earnings and adjusted for expenses to the actual date of payment. Details of this intended decision are described below.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SUBSECTION 89(6) OF THE ACT. A hearing by the Tribunal about this Notice of Intended Decision may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
5160 Yonge Street
14th Floor, Box 85
Toronto ON M2N 6L9

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within thirty (30) days after this Notice of Intended Decision is served on you, an order will be issued as described in this Notice of Intended Decision.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal’s website at www.fstontario.ca.

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* (“Rules”) made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

REASONS FOR INTENDED DECISION

1. The City of Toronto is the employer as defined in the Plan (the “Employer”).
2. The Employer wound up the Plan on November 30, 2019, as a result of a transfer of assets and liabilities, relating to the Plan members’ benefits, into the Ontario Municipal Retirement System Primary Pension Plan, Ontario Registration Number 0345983, There remained only surplus assets in the Plan after the transfer of assets and liabilities.
3. The Pension Committee for the Toronto Civic Employees’ Pension and Benefit Fund (the “Committee”) is the legal administrator for the Plan and, therefore,

responsible for completing the wind up of the Plan and distributing the remaining surplus assets. The Committee appointed the Employer to assist in the distribution of the surplus assets. The Employer also fulfills separate obligations relating to the withdrawal of surplus remaining in the Plan in its capacity as the Employer under the Plan.

4. A committee comprised of individual Surplus Sharing Members, known as the Pension Committee for the Toronto Civic Employees' Pension Plan Surplus Distribution (the "Member Committee") was established in September of 2017, to engage legal counsel to negotiate an agreement with the Employer with respect to the distribution of surplus to Surplus Sharing Members.
5. As a result of negotiations between the Member Committee Counsel and the counsel for the Employer, the principal terms of the proposal relating to the surplus were agreed upon by the Member Committee and in principle by the management staff at the Employer.
6. As a result, the Surplus Sharing Agreement entered into between the City and the legal counsel for the Member Committee, provides for the surplus remaining in the Plan, less eligible administrative costs and expenses in connection with the administration of the Plan and the wind up (the "net surplus") to be divided between the Surplus Sharing Members and the Employer by providing the Surplus Sharing Members with 50% of the net surplus and to the Employer with 50% of the net surplus.
7. As indicated in the Employer's application for payment of surplus (the "Application"), the total surplus in the Plan as of November 30, 2019 was \$112,537,400, and the surplus payable to the Employer in accordance with the surplus sharing agreement is estimated to be \$58,268,700 as at November 30, 2019.
8. The Employer has applied pursuant to paragraph 77.11(7)2, section 78 and subsection 79(3.1) of the Act for consent to the payment of \$58,268,700 from pension fund for the Plan, adjusted for investment earnings and expenses to the actual date of payment.
9. The Application appears to comply with paragraph 77.11(7)2, section 78, subsection 79(3.1) and all other applicable requirements under the Act and Regulation 909, R.R.O. 1990.

10. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, November 3, 2020.

A handwritten signature in black ink, appearing to read "Jennifer Rook". The signature is written in a cursive, flowing style.

Jennifer Rook
Head, Pension Plan Operations and Regulatory Effectiveness

By delegated authority from the Chief Executive Officer