



Pension Investment  
Association of Canada

Association canadienne des  
gestionnaires de caisses de retraite

August 31, 2016

Mr. Geoffrey Melbourne  
Actuarial Standards Board  
360 Albert Street  
Suite 1740  
Ottawa ON K1R 7X7  
Via email : [geoffrey.melbourne@willistowerswatson.com](mailto:geoffrey.melbourne@willistowerswatson.com)

Dear Sirs:

**Re: Notice of Intent – Revisions to Subsection 3260 of the Practice-Specific Standards for Pension Plans – Reporting: External User Report; Advice on the Funded Status or Funding of a Pension Plan**

The purpose of this letter is to provide comments from the Pension Investment Association of Canada (PIAC) on the ASB Memorandum issued on July 6, 2016.

PIAC has been the national voice for Canadian private and public pension funds since 1977 in matters related to pension investment and governance. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1.5 trillion in assets on behalf of millions of Canadians. PIAC's mission is to promote sound investment practices and good governance for the benefit of pension plan sponsors and beneficiaries. PIAC's positions on public policy reflect the fiduciary framework in which member funds operate and its commitment to work in the best interests of plan members.

With respect to the disclosures in an external user report on work pursuant to subsection 3260 – Advice on the Funded Status or Funding of a Pension Plan, PIAC has the following observations:

- PIAC believes that there is merit in having a greater understanding of a given plan's sensitivity to various factors. That being said, the expectation is that the calculations required by the NOI will be complex and thus result in a significant increase in valuation costs. This cost increase is of concern to PIAC members.

- As already mentioned in your Notice of Intent, sensitivity disclosure is already required under current Canadian accounting standards and alignment between the ASB requirements and the accounting standards should be considered. Other sensitivity testing is likely being done by the Plan Sponsor on an as needed basis to align with their governance process and current risk profile.
- PIAC recommends that any additional analysis form part of related discussions with the plan sponsor(s) on issues such as funding policies, investment strategies, and asset / liability mismatch rather than as additional disclosures in external user reports.

We would be happy to meet with you to discuss our comments in this letter at your discretion. Thank you again for including PIAC in the consultation process.

Yours sincerely,



Lisa Jankov  
Chair

cc. Chris Fievoli at [chris.fievoli@cia-ica.ca](mailto:chris.fievoli@cia-ica.ca)