



Pension Investment  
Association of Canada

Association canadienne des  
gestionnaires de caisses de retraite

March 20, 2019

CAPSA Secretariat  
5160 Yonge Street, 16th Floor  
Toronto, Ontario  
M2N 6L9

Via Email: [capsa-acor@fsc.gov.on.ca](mailto:capsa-acor@fsc.gov.on.ca)

**Re: CAPSA Strategic Plan January 2019**

The purpose of this letter is to provide comments from the Pension Investment Association of Canada (PIAC) on the recently released draft *CAPSA Strategic Plan 2019-22*.

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 \$2 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.

We appreciate the opportunity to comment on the CAPSA draft strategic plan and view it as a good foundation for helping your organization deliver on its mandate of improving harmonization of the pension regulatory regime across Canada.

PIAC supports the individual priorities identified in the plan and believes finalizing the Agreement Respecting Multi-Jurisdictional Pension Plans is an appropriate top priority. Regarding the reviews to Guidelines 3 & 7 and potential follow-up work on the use of leverage within pension plans, we encourage CAPSA establish industry working groups to solicit industry input on these initiatives.

For emerging issues, we agree that heightened attention to Environment, Social and Governance factors is a reality for pension investment management in the current environment. PIAC believes plan sponsors would benefit from principles-based guidance regarding expectations of fiduciary duty in this area. We also support research initiatives in areas of cyber-security and the impact of emerging technologies on the pension landscape.

For topics not identified in the draft plan, PIAC noted to the federal government during its recent consultations on retirement security that there is limited published work by policy makers or researchers which analyzes the historical Canadian experience on pension plan terminations in the context of corporate insolvencies and the ultimate impacts on beneficiaries. Many policy decisions must attempt to balance the desire for benefit security in the event of a plan termination and the value of cost-effective ongoing pension coverage. PIAC believes a review of the historical record would help inform policy making for the pension sector and CAPSA would be well placed, given its national composition and proximity to the underlying data, to sponsor or co-ordinate such work as part of its mandate to promote research and awareness.

PIAC has also previously indicated that Canadian pension plans would benefit from the creation of a single designated public agency to manage funds from un-locatable members. With cross-country representation, CAPSA would be a logical platform to catalyze a national initiative in this area.

We appreciate this opportunity to share our perspectives and PIAC looks forward to working with CAPSA as you address the important initiatives outlined in the strategic plan.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Allen', with a stylized flourish at the end.

Deanne Allen  
Chair