



Pension Investment
Association of Canada

Association canadienne des
gestionnaires de caisses de retraite

September 19, 2011

Pension Task Force
Attn: Justice and Consumer Affairs
Centennial Building
P. O. Box 6000
Fredericton, NB
E3B 5H1
Via email: pensions-retraite@gnb.ca

Dear Task Force:

Re: New Brunswick Task Force on Protecting Pensions

Thank you for allowing PIAC to present its comments to the Task Force on Protecting Pensions in New Brunswick. We congratulate the New Brunswick government for investigating this important issue and support the Task Force's goal of promoting the establishment and continuation of appropriate and affordable pension protection for its citizens.

PIAC has been the national voice for Canadian pension funds since 1977. Senior investment professionals employed by PIAC's member funds are responsible for the oversight and management of over \$1 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 notes that many private sector workers in New Brunswick do not have access to low cost collective pension arrangements. PIAC supports increasing pension coverage and believes in a level playing field for all types of vehicles including Defined Benefit, Target Benefit, Defined Contribution, single employer and multi-employer plans.

PIAC believes the appropriateness of a specific vehicle should be a matter for plan sponsors to determine. However, current pension regulations do not always provide a level playing field for the various retirement vehicles and this has contributed to the decline in coverage we have seen in recent years.

Regardless of the vehicle used to provide retirement income, PIAC supports general principles which enhance the security and purchasing power of retirement income.

These principles include:

- Tax efficient investing.
- Prudent management of investments, including the elimination of quantitative investment limits.
- Sound risk management.
- Efficient and effective governance structures.
- Symmetric risk sharing arrangements.
- Harmonized pension regulation, including funding rules across types of plans and jurisdictions.
- Appropriate disclosure and communication to plan members.
- Appropriate and transparent fees for investment management and custodial services.

We look forward to receiving the interim report from the Task Force in the fall of 2011 and plan to provide feedback.

PIAC would welcome the opportunity to discuss our comments and observations with you further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barbara Miazga', with a stylized flourish extending to the right.

Barbara Miazga
Chair