

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** September 30, 2010

**SUBJECT:** TTC PENSION FUND SOCIETY UPDATE

## **ACTION ITEM**

## **REASON FOR CONFIDENTIAL INFORMATION:**

This report is about labour relations or employee negotiations.

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## **RECOMMENDATION**

It is recommended that the Commission authorize staff to proceed as follows:

1. Approve the recommendations as set out in the Confidential Attachment;
2. To continue working with the City of Toronto in their efforts to gain solvency exemption for the City's legacy pension plans;
3. To proceed with the procedural steps required to reclassify the Toronto Transit Commission Pension Fund Society as a jointly sponsored pension plan if such a conversation will enable the Society to obtain solvency funding exemption; and,
4. Note that the confidential information as set out in Confidential Attachment 1 remains confidential in its entirety as it contains information about labour relations or employee negotiations

## **FUNDING**

In the absence of exemption from the solvency funding requirements of the Pension Benefits Act, the Commission and its employees will be forced to fund a solvency shortfall estimated to be in the range of \$750 million to well in excess of \$1 billion over a ten year period as yet to be defined.

## **BACKGROUND**

The Society has been corresponding with the Office of the Minister of Finance, of the Province of Ontario for over seven years on the issue of solvency funding and its impact on its Commission and the members of the Society.

In 2006, Ontario established the Ontario Expert Commission on Pensions. Representatives from the Society's Board of Directors appeared before the Commission and laid out the case for exemption from solvency requirements for the TTC Pension Fund Society in particular.

Subsequent to this presentation, correspondence has been directed to the Ministry of Finance recommending exemption from solvency funding requirement for Jointly Sponsored Pension Plans (JSPP) in general and for the TTC Pension Fund Society in particular.

In August, the Province released the latest steps being taken in the area of Pension reform. This report has provided exemption from solvency funding requirements for the current JSPPs, OMERS, Teachers, The College of Applied Arts and Technology, Hospitals of Ontario, and OPTrust.

Currently, there is no indication that solvency exemption will be provided to the TTC Pension Fund Society.

It should be noted, that any changes to the Bylaws of Society required in the process of conversion to JSPP will require the approval of the Board of Directors of the Society, the sanction of the Commission and the approval of the active Members of Society at an Annual General Meeting of the Society.

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September 24, 2010  
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