

NOTICE OF MOTION

MOVED BY: COMMISSIONER PALACIO

FOR OVER SEVEN YEARS, THE CITY, THE TTC AND THE BOARD OF DIRECTORS OF THE TTC PENSION FUND SOCIETY HAVE BEEN WRITING AND REQUESTING THAT THE PROVINCIAL GOVERNMENT GRANT THE TTC PENSION FUND SOCIETY SOLVENCY FUNDING EXEMPTION. IN AUGUST, 2010 THE PROVINCE GRANTED SOLVENCY FUNDING EXEMPTIONS TO THE 5 EXISTING JOINTLY SPONSORED PENSION PLANS, OMERS, TEACHERS, HOOPP, CAAT AND OP TRUST. THE TTC PENSION FUND IS REQUESTING THE SAME EXEMPTION.

GRANTING SOLVENCY FUNDING EXEMPTION CARRIES NO COST TO THE PROVINCE BUT WITHOUT SOLVENCY FUNDING EXEMPTION, BEGINNING IN 2012, THE COMMISSION AND THE EMPLOYEES WILL BE FORCED TO CONTRIBUTE AN EXTRA \$50-\$75 MILLION (TO BE SHARED EQUALLY) INTO THE PLAN FOR THE NEXT 10 YEARS. THESE EXTRA PAYMENTS ARE SOLELY FOR THE PURPOSE OF SOLVENCY FUNDING IN THE EVENT THAT THE PENSION PLAN IS WOUND-UP. IT SHOULD BE NOTED THAT THE SOCIETY IS WELL FUNDED ON A GOING CONCERN BASIS AND HAS A SURPLUS OF APPROXIMATELY \$100 MILLION.

I HEREBY MOVE THAT THE COMMISSION REQUEST THAT CITY COUNCIL FULLY SUPPORT THE TTC PENSION FUND IN ITS EFFORTS TO SEEK FULL SOLVENCY FUNDING EXEMPTION BY SUPPORTING THE SOCIETY'S CONVERSION TO A JOINTLY SPONSORED PENSION PLAN AND TO ENCOURAGE THE PROVINCIAL GOVERNMENT TO GRANT FULL SOLVENCY FUNDING EXEMPTION FOR THE TTC PENSION FUND SOCIETY.