



Financial and  
Consumer  
Affairs Authority

Suite 601  
1919 Saskatchewan Drive  
Regina, SK  
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April 8, 2015

Bob Linner  
Chairperson, Administrative Board  
The Regina Civic Employees' Superannuation and Benefit Plan  
c/o Pensions & Disability Administration  
City of Regina  
B101 – 2055 Albert Street  
REGINA SK S4P 3G8

Dear Mr. Linner:

**Re: Decision of the Deputy Superintendent of Pensions respecting The Regina Civic Employees' Superannuation and Benefit Plan  
Registration Number 0268425**

On July 17, 2014, I wrote to Colin Jensen, past Chairperson, Administrative Board, to advise that I was considering cancelling the registration, pursuant to section 21 of *The Pension Benefits Act, 1992* (the "Act"), of The Regina Civic Employees' Superannuation and Benefit Plan (the "Plan"). Cancellation of the Plan's registration would have resulted in the termination of the Plan pursuant to subsection 51(1) of the Act. On March 11, 2015, I announced that I have decided not to cancel the registration of the Plan. This letter sets out the reasons for my decision.

#### Background

Financial and Consumer Affairs Authority (FCAA) was advised on May 13, 2011 that Regina City Council voted to refuse to adopt the increased contribution rates required pursuant to the December 31, 2009 actuarial valuation report. FCAA was also advised that the decision to deny the contribution rate increase was supported by all five participating employers.

At the time of the July 17, 2014 letter, which was more than three years since Regina City Council made the decision not to increase the contribution rates, the contributions required under the Act were not being made to the Plan. Since May 13, 2011, attempts between the City of Regina and the Regina Civic Pension and Benefit Committee to negotiate Plan amendments had not resulted in a solution.

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Plan amendments were required to bring the contribution rate to a level where the City of Regina and other participating employers could afford the contributions required by the Act. In December 2013, I was informed that amendments to the Plan were to be discussed by the parties, with a deadline of March 31, 2014 to finalize the amendments. However, I was subsequently advised that the parties had not been able to reach agreement regarding changes to the Plan.

Subsection 40(3) of the Act requires that a plan must be funded in accordance with the actuarial valuation reports that are filed with the Superintendent. As the funding requirements pursuant to the last three filed reports had not been implemented, the Plan was not in compliance with the Act. Therefore, I had the authority to cancel the Plan's registration.

In the July 17, 2014 letter, I set out a process whereby stakeholders could make submissions if they felt that I did not have authority to cancel the registration of the Plan or that I should not be cancelling the registration and terminating the Plan for any other reason. I indicated that I was particularly interested in hearing from them about:

- alternative regulatory action which they feel would produce a better result for plan beneficiaries; and
- action being taken by contributing employers and/or plan members which will result in the Plan coming into compliance with the Act and ensuring that in the future the Plan continues to comply with the Act.

I received hundreds of stakeholder submissions, the great majority of which did not support a termination of the Plan and indicated that a plan termination would not be in the best interest of plan beneficiaries.

In December 2014, I received a joint submission from the City of Regina, on behalf of all participating employers, and the Regina Civic Pension and Benefits Committee, on behalf of all plan members, with respect to amendments to the Plan. In order to implement the Plan amendments, changes to *The Pension Benefits Regulations, 1993* (the "Regulations") would be required. In particular, the following changes would be required:

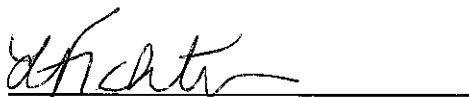
1. Add The Regina Civic Employees' Superannuation and Benefit Plan as a Specified Plan in Table 1 of Part II of the Appendix to the Regulations.
2. Amend the rules for Specified Plans in respect of the Plan so that:

- a. The consolidated unfunded liability established in the December 31, 2014 actuarial valuation report is amortized over 20 years.
- b. Unfunded liabilities in respect of benefits accrued prior to July 1, 2015 which are revealed in actuarial valuation reports with a review date after December 31, 2014 are amortized over the greater of 10 years and the remaining initial 20 year period. (Unfunded liabilities in respect of benefits accrued on and after July 1, 2015 which are revealed in actuarial valuation reports with a review date after December 31, 2014 are amortized over no more than 10 years. This is the same amortization period allowed for other Specified Plans.)

On March 10, 2015, Cabinet agreed that it would amend the Regulations so that the Plan amendments will be able to proceed and be implemented. Cabinet announced this decision on March 11, 2015.

Decision

I have decided not to cancel the registration of the Plan because I am satisfied that, after the changes to the Plan and the Regulations have been implemented, the Plan will be funded as required by subsection 40(3) of the Act in accordance with the December 31, 2014 actuarial valuation report to be filed with the Superintendent. Therefore, the Plan will be in compliance with the Act. Further, I am of the view that the Plan will be structured in a manner that makes it reasonably likely the Plan will continue to be funded in accordance with the actuarial valuation reports filed with the Superintendent and remain in compliance with the Act.



Leah Fichter  
Deputy Superintendent of Pensions

Copies to:

Byron Werry, City Solicitor, City of Regina  
Colyn Lowenberger, Director, Pensions & Disability Administration, City of Regina  
Glen Davies, City Manager, City of Regina

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Jeff Barber, Library Director & CEO, Regina Public Library

Julie MacRae, Director of Education, Regina Public Schools Division Office

Keith Dewar, President and Chief Executive Officer, Regina Qu'Appelle Health Region

Kirby Benning, Chair, Regina Civic Pension and Benefits Committee

Ryan Johnson, General Manager, Buffalo Pound Water Administration Board

Bill Craik, Executive Director, Health Sciences Association of Saskatchewan (Regina)

Brian Hoppenreys, President, UNIFOR Local No. 595

Bill Lawson, President, Prairie Region, Unifor Local No. 595

Debbie Mihial, President, CUPE Local No. 1594

Don Baker, President, Amalgamated Transit Union Local No. 588

Gerry Huget, President, Regina Professional Firefighters Association Local No. 181

Jackie Christianson, President, CUPE Local No. 3766

Mark Enright, President, CUPE Local No. 7

Pat Gwilliam, Co-Chair, SGEU Local 4292

Paula Branscombe, President, CUPE Local 4643

Cathy Johnson, Vice-President, CUPE Local 4643

Pete Prosofsky, President, CUPE Local No. 650

Scott McDonald, President, CUPE Local No. 3967

Tim Anderson, President, CUPE Local No. 21

Tracy Zambory, President SUN, Saskatchewan Union of Nurses Local No. 106

Tracy Zambory, President SUN, Saskatchewan Union of Nurses Local No. 276

Chair, Out-of-Scope Employees Association, Regina Board of Education

President, CCM, City of Regina

President, COR-OOS/OCE, City of Regina

President, Library Out-of-Scope Employees Association, Regina Public Library

President, Out-of-Scope Employees Association, Regina Qu'Appelle Health Region

President, Out-of-Scope Employees Association, Buffalo Pound Water Administration Board