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**Taking Further Action to Protect Retirement Security**  
*Improving Sustainability and Transparency for More Workplace Pension Plans*  
June 29, 2017 2:45 P.M.

Ontario is taking further steps to help ensure workers' retirement benefits are protected and maintained, while helping businesses compete and attract skilled workers.

The province is implementing a new framework for target benefit multi-employer pension plans that will help ensure these plans are healthy and sustainable over the long term. The new framework will replace the time-limited funding regulations currently in place for specified Ontario multi-employer pension plans (SOMEPPs). The changes would provide these plans with a permanent exemption from funding on a solvency basis while also:

- Enhancing long term plan sustainability and benefit security by requiring the funding of a reserve to assist plans in overcoming adverse events, such as poor investment returns
- Helping ensure target benefits are predictable by lowering the risk of benefit reductions
- Improving transparency so plan participants understand how their plans are governed and operated

The government intends to introduce legislation in the fall and regulation in 2018 to implement these changes and will be consulting on the details of the new framework, including the design of the reserve and how plans transition to the new requirements. As an interim step, the government is extending the temporary solvency funding exemption currently in place for SOMEPPs by one year to August 2018.

Helping businesses maintain workplace pension plans while protecting benefit security for workers and retirees is part of our plan to create jobs, grow our economy and help people in their everyday lives.

## QUOTES

" Our government believes everyone in Ontario deserves a secure retirement after a lifetime of working. With these changes, target benefit multi-employer pension plans will remain a sustainable source of income for retirees, and businesses will be able to continue to grow and thrive."

- Charles Sousa  
Minister of Finance

## QUICK FACTS

- Target benefit pension plans combine features of defined benefit pension plans and defined contribution plans. While they target a specific benefit level funded by fixed contributions, accrued benefits may be reduced to address funding shortfalls.
- The new framework will help ensure that more than 850,000 Ontarians receive benefits that are sustainable and predictable.
- In 2015, the government consulted on [a proposed regulatory framework for target benefit multi-employer pension plans](#), which included a permanent exemption from solvency funding requirements.
- Several provinces, including Alberta and British Columbia, recently implemented comprehensive frameworks for target benefit pension plans.

## LEARN MORE

- [A New Framework for Defined Benefit Pensions](#)

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