

Submissions to the Nova Scotia Pension Review Panel

By the Trustees of the Mainland Nova Scotia Building and
Construction Trades Defined Benefit Pension Plans

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Tab 1: Canadian Institute of Actuaries, *Report of the Task Force on Multi-Employer Pension Plans* (May 2001)

Tab 2: Elizabeth Shilton, *Research Report: Current Issues Concerning Multi-Employer Pension Plans in Ontario* (Submitted to the Ontario Expert Commission on Pensions, October 31, 2007)

1. Introduction

The Trustees of the Mainland Nova Scotia Building and Construction Trades defined benefit pension plans are pleased to have this opportunity to participate in the review of the Nova Scotia *Pension Benefits Act* and present our views to the Pension Review Panel on the issues raised in the Discussion Paper. We sincerely hope that representatives of the Trustees will have the further opportunity to meet with the members of the Panel to discuss the particular issues facing the plans and members we serve.

These submissions are made on behalf of the union and employer Trustees of the multi-employer defined benefit pension plans for members of the following unionized building and construction trades with jurisdiction over Mainland Nova Scotia:

- International Association of Heat and Frost Insulators, Local 116
- International Brotherhood of Carpenters and Joiners of America, Local 83
- International Brotherhood of Electrical Workers, Local 625
- International Union of Operating Engineers, Local 721
- Millwrights and Machine Erectors, Local 1178
- United Association of Journeymen Plumbers and Pipefitters, Local 56
- United Association of Plumbers and Pipefitters, Local 244
- Sheet Metal Workers' International Association, Local 409

Together, these pension plans have over 10,000 members, over 525 participating employers, and a value of almost \$428 million.¹ There are also many more union members who are working in the industry but who have not yet vested in the plans.

All but one of these plans has been operating for over 20 years. The oldest plan (Carpenters, Local 83) was established on January 1, 1971 and has been in existence for over 37 years. The youngest (Sheet Metal Workers, Local 409) was established on October 25, 1990 and has been in existence for almost 18 years.

While these submissions address most of the questions raised in the Discussion Paper, the Trustees have three areas of particular concern that will be emphasized. These are:

- solvency funding requirements for specified multi-employer pension plans
- the regulatory regime
- pension plan governance

By way of background, our submissions will begin with an explanation of the operation of multi-employer defined benefit pension plans in the unionized building and construction industry and

how these plans differ from single employer-sponsored plans. We will also review the regulation of multi-employer pension plans in Nova Scotia as it has developed over time.

2. Multi-Employer Pension Plans in the Unionized Construction Industry: How and Why they Work

The first multi-employer pension plan ("MEPP") was created in the 1940's through an agreement between the Amalgamated Clothing Workers of America and the Associated Clothing Manufacturers of Toronto that sought to allow multiple employers in an industry to pool their resources to provide pensions and benefits for their workers.²

Subsequently, the MEPP model was adopted in other industries, typically those with numerous small employers for whom the cost of establishing pension and benefit plans is prohibitive and with a unionized workforce that moves from job to job and employer to employer in the same industry. Construction is one example of this type of industry. Other examples include transportation and food.

In the unionized construction industry in Nova Scotia, the nature of the employment relationship is very different than in other sectors and industries. The construction industry is project-based and cyclical. It operates through a complex system of general contractors and specialized contractors whose connections to each other change with the completion of particular projects. A tradesperson may work for a particular employer for a few days or months until the work of his or her trade on a project is completed. Then he or she may move on to another employer and another project. The only constant or long-term relationship that an employee has is with his or her union. Unions are certified to represent their members in a particular trade within a geographic area (such as Mainland Nova Scotia), rather than on an employer-by-employer basis. The unions operate hiring halls, from which many members are dispatched to work for different employers. Unionized employers within the geographic area are represented by an accredited employers' organization that collectively bargains a single collective agreement for each trade covering all the employers. In this context, it is not difficult to see that without the MEPP model it is unlikely workers in the industry would be able to have a pension plan.

In her Research Report on MEPPs for the Ontario Expert Commission on Pensions, Elizabeth Shilton describes three broad categories of MEPPs³:

- classic MEPPs, which are generally established by trade unions and employer organizations, and are typically defined benefit plans with contribution rates established under broad-based multi-employer collective agreements;
- public sector MEPPs, which are established by statute; and

- co-operative MEPPs, which may be established by employers or unions, but are not based on a coordinated collective bargaining structure linking participating employers and generally do not have plan members who move from job to job and employer to employer.

The Mainland Nova Scotia Building Trades pension plans are classic defined benefit MEPPs, so this category will be the focus of the following discussion.

However, for the purpose of regulating MEPPs it is important to recognize that there are different MEPP models with distinct structures and features. As discussed more fully below, the recent introduction of regulations under the Nova Scotia *Pension Benefits Act* that provide temporary solvency funding relief for a category of MEPPs identified under the *Income Tax Act* as "specified multi-employer pension plans" ("SMEPPs") represents an important step in acknowledging and addressing the differences between MEPPs. Classic defined benefit MEPPs in the construction industry fall within the definition of SMEPPs.

Classic defined benefit MEPPs are quite distinct from single employer-sponsored plans ("SEPPs"). In the case of SEPPs, the employer establishes a pension plan for its employees (and only its employees) and assumes the role of administrator. Membership in the plan is contingent on being an employee of that employer. If employment is terminated, so is membership in the plan. A SEPP may be contributory or non-contributory, but any funding shortfalls must be made up by the employer. There is no ability to reduce benefits to address a funding shortfall. If the employer ceases operations or becomes insolvent, the plan terminates.

In contrast, a classic defined benefit MEPP is usually initiated by a trade union on behalf of its members. In the construction industry, a MEPP is typically established through a Trust Agreement entered into by a trade union and an accredited employer's organization that represents many unionized employers in the industry. The trust funds are exclusively committed to the benefit of the plan's beneficiaries. The administrator is a Board of Trustees with equal union and employer representation. The Board of Trustees typically hires a third party administrator to perform the day-to-day administration of the plan, as well as other expert advisors.

In a classic defined benefit MEPP, the funding roles of the employer in a SEPP are divided among three parties:

- The union's role is to negotiate the contribution rates through collective bargaining. Employers offer a total hourly compensation package, from which the union determines the amount to be allocated to wages, pension contributions, health and welfare contributions, and possibly other remittances. The rate of contributions is then fixed for the term of the collective agreement.
- The participating employers' only responsibility is to remit the contributions, which are forwarded directly to the third party administrator hired by the Board of Trustees. If an

employer fails to remit its contributions, the union will enforce the employer's obligation under the grievance and arbitration provisions of the collective agreement.

- The Board of Trustees accepts the employer contributions. While the union negotiates contribution rates, the Board of Trustees is responsible for setting benefit levels. This is done with the advice of the plan's actuary. In the event of a funding shortfall in the plan, the Board has no authority to demand increased contributions or otherwise change the level of funding. Participating employers are not liable to make special payments in respect of any going concern unfunded liability or solvency deficiency identified in an actuarial valuation. Since contributions are limited to the negotiated rate, the only variable is the level of benefits. In recognition of this, the *Pension Benefits Act* and Regulations authorize the administrator of a MEPP to reduce benefits. The benefit level provided by these plans is sometimes referred to as a "target benefit".

One of the key features of these plans, then, is that they provide defined benefits based on negotiated contributions that are fixed for the term of a collective agreement.

Classic MEPPs in the construction industry may employ a variety of benefit formulas, such as \$X per month for every Y hours worked, or X cents of benefit for each \$1 contributed on the member's behalf

One of the fundamental purposes of a MEPP is to allow for continuity of membership in a pension plan despite employment with different employers over time, as well as periods of unemployment. Subject to certain minimum eligibility requirements, membership in a classic MEPP is based on union membership. As long as union membership is maintained, so is membership in the plan. If a member is unemployed for a period of time, membership in the plan continues. If a member's employment with one employer is terminated, plan membership continues. Thus, a plan member can work for many employers over the years but continue to accrue a pension under the same plan. Not only is a member's pension portable among participating employers in the plan, but, as a result of the extensive network of reciprocal agreements in the construction industry across Canada, pension contributions made in respect of employment under a collective agreement in another union's or trade's jurisdiction are sent back to the home plan and the member accrues additional benefits.

Since there are many participating employers, the insolvency of one employer does not result in a MEPP being terminated. The risk of employer insolvency is pooled over many employers. As shown in the chart attached as Appendix "A", the number of participating employers is fluid over time. Barring the collapse of an industry, a classic MEPP continues to operate. The Trustees are not aware of any partial wind-up of a construction industry MEPP in Canada due to a single employer going out of business. Moreover, there has never been a full or partial wind-up of a construction industry MEPP in Nova Scotia.

The long-term stability and success of MEPPs in the construction industry in this Province was recognized by the then Minister of Environment and Labour, the Honourable David Morse,

who, on second reading of amendments to the *Pension Benefits Act* on May 25, 2001, stated: "...because they are multi-employer trades plans, the likelihood that the plan would ever be wound up is virtually nil."⁴

Unfortunately, there are no publically available statistics on MEPPs in Nova Scotia. The Superintendent's annual reports under the *Pension Benefits Act* provide general statistics on defined benefit and defined contribution plans, but do provide any information specifically about MEPPs as distinct from SEPPs.

The Trustees submit that it would be helpful, particularly in tailoring regulatory requirements, to have reported statistics on the numbers of MEPPs as compared to SEPPs in the Province, including the number of MEPP members and participating employers, and even comparing the different kinds of MEPPs.

Most of the issues being raised by employers in the pension reviews currently underway across Canada are not issues for MEPPs, including: use and ownership of surplus, "asymmetry of risk", actual funding of solvency deficiencies and amortization periods, the use of letters of credit, grow-in benefits, and funding requirements on plan wind-up. Indeed, the MEPP model offers an effective solution to these issues. The classic MEPP model in the construction industry also addresses issues raised by unions and employees, such as union and employee participation in plan governance, portability, and transparency.

That being said, there are issues raised by the Discussion Paper that specifically impact on MEPPs, including the application of going concern and solvency funding requirements, the regulatory regime, and governance.

3. The Regulation of Multi-Employer Pension Plans in Nova Scotia

The regulation of MEPPs in Nova Scotia has historically developed on an ad hoc basis. The unique features and requirements of these plans sometimes seem to be either an afterthought or forgotten. For example, the Discussion Paper states on p. 8 that: "The *Pension Benefits Act* governs *employer-sponsored* pension plans established in respect of Nova Scotia employees". Many MEPPs, including those in the construction industry, are not "employer-sponsored" plans.

The first *Pension Benefits Act* enacted in 1975 did not mention MEPPs, although they existed at the time. MEPPs and SEPPs were regulated by the same rules.

With the enactment of the *Pension Benefits Act, 1987*, a definition of "multi-employer pension plan" was introduced, which was identical to the definition in force today, namely:

“multi-employer pension plan” means a pension plan established and maintained for employees of two or more employers who contribute or on whose behalf contributions are made to pension fund by reason of agreement, statute or municipal by-law to provide a pension benefit that is determined by service with one of more of the employers, but does not include a pension plan where all the employers are affiliates of each other; ...

Along with the definition of a MEPP, the 1987 Act introduced special rules and exemptions for MEPPs, most of which continue to apply today with some modifications and additions made over the years.

The current Act and Regulations recognize that MEPPs are unique and require different regulatory treatment than SEPPs. Furthermore, although the singular definition of a MEPP serves to distinguish this type of plan from SEPP, various provisions reflect an acknowledgment that there are important differences among MEPPs. In particular, there are numerous special provisions that are limited in their application to MEPPs established pursuant to a collective agreement or trust agreement, including certain funding requirements. As discussed more fully below, the Regulations recently introduced the separate category of a *specified* multi-employer pension plan (“SMEPP”) for the purpose of temporary solvency funding relief.

Some of the special rules and exemptions that apply to MEPPs and certain categories of MEPPs include the following:

- a MEPP that is established pursuant to a collective agreement or trust agreement must be administered by a board of trustees of whom at least half are representatives of members of the plan: s. 14(1)(e);
- the documents creating and supporting a MEPP established pursuant to a collective agreement must set out the powers and duties of the board of trustees that is the administrator of the plan: s. 16(2);
- for MEPPs established pursuant to a collective agreement, an exemption from the establishment of a pension advisory committee: s. 30A(6)(b);
- conditions for plan membership that do not exceed seven hundred hours of employment with one or more participating employers or earnings of not less than thirty-five per cent of the year’s maximum pensionable earnings, in each of the two consecutive calendar years immediately before the year in which membership is applied for: s. 37(4);
- the right of a MEPP member to terminate membership if no contributions are required to be made to the fund on the member’s behalf for twenty-four consecutive months: s. 44(1);

In addition, there are a number of exemptions with respect to rights on termination of employment where membership in a MEPP is ongoing, since membership in a MEPP is not contingent on continuing employment with a particular employer.

There are specific provisions for the winding up of MEPPs. Section 73(4) of the Act provides as follows:

73(4) A multi-employer pension plan shall not be wound up by reason only of the withdrawal of a participating employer from the pension plan but the Superintendent may, by order, require the wind up if the Superintendent is of the opinion that in the circumstances the plan ought to be wound up.

In addition, Section 74(1) of the Act sets out the general conditions under which the Superintendent may exercise her discretion to order a wind up of a pension plan in whole or in part, and includes a further provision dealing with the wind-up of a MEPP. Section 74(1) states:

74(1) The Superintendent may, by order, require the wind up of a pension plan in whole or in part if

- (a) there is a cessation or suspension of employer contributions to the pension fund except where payments are being made from surplus funds;
- (b) the employer fails to make contributions to the pension fund as required by this Act or the regulations;
- (c) the employer is bankrupt within the meaning of the Bankruptcy Act (Canada);
- (d) a significant number of the members cease to be employed by the employer as a result of the discontinuance of all or part of the business of the employer or as a result of the reorganization of the business of the employer;
- (e) all or a significant portion of the business carried on by the employer at a specific location is discontinued;
- (f) all or part of the employer's business or all or part of the assets of the employer's business are sold, assigned or otherwise disposed of and the person who acquired the business or assets does not provide a pension plan for the members of the employer's pension plan who became employees of the person;

(g) in the case of a multi-employer pension plan,

(i) there is a significant reduction in the number of members, or

(ii) there is a cessation of contributions under the pension plan or a significant reduction in such contributions;

(h) any prescribed event or prescribed circumstance occurs.

Two questions are raised by these provisions with respect to the wind-up of MEPPs. First, are the circumstances in which the Superintendent may order a wind-up under s. 73(4) different than those under s. 74(1)(g), and, if so, how? Second, are the general conditions set out in s. 74(1)(a) through (f) applicable to MEPPs, despite the specific provision for MEPPs in (g), or are they limited to SEPPs? On their face, they do not appear applicable to MEPPs, but MEPPs are not expressly exempted.

Recommendation:

The Trustees submit that the circumstances in which a wind-up of a MEPP may be ordered by the Superintendent should be limited to the circumstances in s. 74(1)(g). The additional, broad discretion in Section 73(4) should be eliminated.

In the last review of the *Pension Benefits Act* in 1998, the Discussion Paper issued by the Pension Regulation Division included a proposal to exempt multi-employer plans from the requirements of s. 79 of the Act (i.e., grow-in benefits). The proposal was included in Bill 9, introduced on March 27, 2001. On second reading of Bill 9 on May 25, 2001, the Minister of Environment and Labour, then the Honourable David Morse, explained the rationale behind the proposed change as follows:

... [the bill] also removes the requirement to basically fund a certain aspect of multi-employer pension plans that typically applies to trades which is something that is not likely to ever take place. It allows for a full pension at an earlier age, but the problem is that the information now requires full funding for this, and because they are multi-employer trades plans, the likelihood that the plan would ever be wound up is virtually nil. It is detracting, it is taking away from the ability to enhance the members' pensions.

In this statement, the Minister acknowledged the unlikelihood that a construction industry MEPP would be wound up, and that requiring these plans to fund grow-in benefits (which are only triggered on a wind up) was interfering with the ability improve pension benefits.

In December 2004, the Regulations were amended to remove the requirement to fund grow-in benefits on a solvency basis. Then in December of 2007, the Act was amended to require

benefits to be fully funded on a full or partial wind-up, including grow-in benefits: s. 80(1)(A). All MEPPs are expressly exempted from this requirement. However, it is not clear that the terms of all MEPPs limit an employer's contributions to a fixed rate established in a collective agreement. Indeed, the Regulations governing funding contemplate the existence of MEPPs that do not limit an employer's funding obligations, as well as SEPPs that do.

Under the Regulations, there are different funding requirements for different types of pension plans. Section 5 requires the employer to pay not only the normal cost of the plan but also any special payments in relation to a going concern unfunded liability or solvency deficiency. Two types of plans are expressly exempted from this requirement and are subject instead to Section 8, namely:

- MEPPs established pursuant to a collective agreement or trust agreement; and
- plans that provide defined benefits under which the obligation of an employer to contribute to the plan is limited to a fixed amount set out in a collective agreement (which could include SEPPs).

For these plans, the employer's funding obligations are limited to the amounts required by the applicable collective agreement. Section 8(4) requires the plan's actuary to perform tests of sufficiency on the negotiated contribution rate without consideration of any provision for the reduction of benefits set out in the plan. Under s. 8(5), if the valuations show that the required contributions are insufficient to provide the benefits under the plan, the actuary must propose options to the administrator of the plan that will result in the contributions being sufficient. The actuary's proposal must be filed with the Superintendent, and the administrator has 180 days to take action.

Effective December 10, 2007, the funding regulations were amended to provide temporary solvency funding relief for SMEPPs, a category of MEPP that includes classic multi-employer defined benefit plans in the construction industry. Eligible plans must meet the definition of a SMEPP under the *Income Tax Act*. Under Regulation 8510(3) of that Act, the following conditions must be met to qualify as a SMEPP:

- (a) it is reasonable to expect that at no time in the year will more than 95 per cent of the active members of the plan be employed by a single participating employer or by a related group of participating employers;
- (b) where the year is 1991 or a subsequent year, it is reasonable to expect that
 - (i) at least 15 employers will contribute to the plan in respect of the year, or
 - (ii) at least 10 per cent of the active members of the plan will be employed in the year by more than one participating employer,

and, for the purposes of this condition, all employers who are related to each other shall be deemed to be a single employer;

(c) employers participate in the plan pursuant to a collective bargaining agreement;

(d) all or substantially all of the employers who participate in the plan are persons who are not exempt from tax under Part I of the Act;

(e) contributions are made by employers in accordance with a negotiated contribution formula that does not provide for any variation in contributions determined by reference to the financial experience of the plan;

(f) the contributions that are to be made by each employer in the year are determined, in whole or in part, by reference to the number of hours worked by individual employees of the employer or some other measure that is specific to each employee in respect of whom contributions are made to the plan;

(g) the administrator is a board or trustees or similar body that is not controlled by representatives of employers; and

(h) the administrator has the power to determine the benefits to be provided under the plan, whether or not that power is subject to the terms of a collective bargaining agreement.

The effect of the new Regulation 8A is that, for actuarial valuations with an effective date before November 1, 2010, qualifying multi-employer plans in Nova Scotia do not have to consider any new solvency deficiency in setting contribution rates, and they do not have to consider reducing benefits. However, there are additional restrictions on the time for liquidating a going concern unfunded liability and on plan amendments, plus various notice requirements. A SMEPP must elect to have Regulation 8A apply.

While there is a singular definition of a MEPP in the Act, many of the regulatory requirements for these types of plans are focused on particular kinds of MEPPs, notably MEPPs established under a collective agreement or trust agreement and SMEPPs. The regulatory requirements reflect a recognition of the unique features of these plans, particularly their continuing nature despite the withdrawal of a participating employer, membership that is not dependent on employment, and the restriction of funding to negotiated contribution rates.

Other provinces have defined more specific categories of pension plans in their pension legislation. For example, the Ontario *Pension Benefits Act* recognizes jointly sponsored pension plans, which are contributory and jointly governed defined benefit plans. The British Columbia *Pension Benefits Standards Act* has a category of "negotiated cost plans", which are defined as:

"...a pension plan, including a multi-employer plan, where an employer's financial contribution to the plan is limited to the amount the employer is contractually required to contribute to the plan": s. 1(1). The Alberta *Employment Pension Plans Act* has two categories of MEPPs: Specified Multi-Employer Pension Plans ("SMEPPs") and Multi-Unit Pension Plans ("MUPPs"). The former involve collectively bargained contributions, while the latter are not collectively bargained.⁵

Recommendation:

The Trustees submit that it would be helpful if the Nova Scotia *Pension Benefits Act* more directly and explicitly recognized the variety of MEPPs and other pension plan structures. This would improve the ability of the regulatory regime to focus on and respond to the unique characteristics and requirements of different plan designs. It would also serve to highlight the differences between plans so that the impact of proposed regulatory changes is carefully considered for each type of plan. In particular, the category of SMEPPs should be included in the definitions in the Act and regulated having regard to the specific features of these plans and the industries in which they are found.

4. The Purpose of the *Pension Benefits Act*

Should pension legislation and regulation have goals other than those listed in the Discussion Paper?

The Discussion Paper notes that the main objective of the *Pension Benefits Act* is to safeguard employee entitlements to benefits promised under pension plans. The Trustees agree that this should continue to be the main goal of the Act.

In addition to the goals listed in the Discussion Paper, the Trustees believe that the goals of the Act should include:

- the improvement of life in retirement, and the ability to retire with dignity and financial security;
- encouraging the establishment of pension plans in the Province;
- the improvement of pension benefits; and
- encouraging participation in pension plans and the extension of pension plan coverage.

The establishment, extension and improvement of pension plans in the Province are already included among the duties of the Superintendent under the Act.

Recommendation:

To promote the improvement of benefits and financial security in retirement, the Act should encourage the establishment and continuation of defined benefit plans. It is widely acknowledged that defined benefit pension plans provide employees with the greatest security. We disagree with the suggestion in the Discussion Paper that the government should not encourage a certain type of plan. The Trustees believe that it is in the interest of all Nova Scotians to encourage pension plans that provide the hard working people of this Province with the best possible pensions and the most secure retirement.

Recommendation:

The Superintendent's duties should be expanded to include an educational role. To attain the goals of the Act, it is important that employees and the public generally have a better understanding of pension issues, including their rights under the Act, the obligations of employers and administrators, the types of plans and the benefits they provide, funding, investment, and the importance of pensions for retirement.

5. Types of Plans

Are there plan designs not in use that would provide the benefits of DB plans while minimizing risk?

The Discussion Paper refers to single employer-sponsored defined benefit plans and the "risks" for employers under these plans. There is a great deal of debate over the issue of risk. Employer and employee groups disagree over who bears the ultimate risk in defined benefit plans. Employer groups argue that employers bear all of the financial risk but may not get the benefit of surplus use and ownership, while employee groups argue that workers pay for their pensions through lower wages and other benefits, and ultimately bear the risk of employer insolvency and an unfulfilled pension promise.

The Trustees believe strongly that the classic MEPP model provides an effective solution to the issues of risk for defined benefit plans. For employers, the MEPP model limits the financial obligation to the plan to the negotiated contribution rates. For employees, the risk of employer insolvency is spread among many employers. In addition, the termination of employment with an employer does not terminate membership in the plan. There is no issue of surplus ownership, because these plans are established as trusts for the exclusive benefit of the beneficiaries.

As noted above, most of the issues being raised by employers in the pension reviews currently underway across Canada are not issues for MEPPs, including: use and ownership of surplus, actual funding of solvency deficiencies and amortization periods, the use of letters of credit, grow-in benefits, and funding requirements on plan wind-up. The classic MEPP model also addresses issues raised by unions and employees, such as participation in plan governance, portability of pensions, and transparency.

Recommendation:

The MEPP model has been very successful in Nova Scotia and across Canada, and the Trustees believe it should be promoted as a solution to the issues and concerns that have been raised about SEPPs. As suggested in the Discussion Paper, a jointly trustee province or sector-wide MEPP for smaller employers could provide the benefits of a defined benefit plan to many workers in the Province.

6. Policy Issues

Should the current trend towards fewer defined benefit plans be accepted, or should regulators permit defined benefit plans that may be more attractive to employers by reducing funding risks?

Should new forms of defined benefit pension plans be permitted to enhance their availability?

Should new forms of Hybrid pension plans be permitted to enhance their availability?

The trend toward fewer defined benefit plans should not be accepted. The Province should confirm its preference for defined benefit plans, and should encourage the creation of defined benefit plans for as many workers as possible.

The general decline in defined benefit plans should not serve as a reason to accept or encourage reduced retirement security with "hybrid" plans that may include a significant defined contribution component.

Recommendation:

The Trustees submit that the MEPP model should be promoted and extended to enhance the availability of a defined benefit pension plan to as many workers as possible.

7. Multi-Employer Pension Plans and Pension Plan Funding

Are current rules for measuring and remediation of going concern and solvency deficits appropriate?

Should there be exceptions to the funding rules for universities, multi-employer pension plans and municipalities, or anybody else?

Should going concern funding still be a requirement?

Should promises as to future benefit accrual be restricted to the level that can be funded by contributions?

Should there be a requirement for full funding at wind-up?

How should funding concerns for MEPPs be addressed? Would permitting the implementation of a different type of Hybrid pension plan be useful for MEPPs?

Which of the funding tests should apply to MEPPs?

Should regulators facilitate the further development of hybrid plans? Would the Quebec model be an attractive option for Nova Scotia employers?

The Panel's discussion of multi-employer plans, found at Section 4.4, is confusing. It begins with a description of specified multi-employer plans, and alludes to the recent "solvency exemption" extended to this class of plans. The discussion then twists into a pseudo-proposal to use a hybrid plan model to solve some perceived MEPP funding problem.

The discussion appears to confuse specified multi-employer plans with other types of MEPPs, such as those found in the healthcare or the municipal sector. The proposals around the hybrid option outlined in the Discussion Paper may very well be appropriate for these latter types of multi-employer plans, but they are not appropriate for SMEPPs. In considering long-term changes to the funding rules for SMEPPs (as opposed to other types of MEPPs), it is important that the Panel remain cognizant of the fundamental differences in how such plans operate. The May, 2001 Report of the Canadian Institute of Actuaries Task Force on Multi-Employer Pension Plans noted the following characteristics:

- Membership is usually drawn from one or more locals of a particular union.
- Contributions are negotiated between participating employers and the union. The trustees normally have no power to increase contributions.
- There can be many participating employers who employ the members of MEPPs.

- Different union locals may negotiate different contribution rates, or a local may have different contracts and contribution rates with different employers.
- Members can and do change from one participating employer to another participating employer. In such situations, active membership status in the MEPP continues without interruption.
- In some situations (such as where members are subject to layoff due to seasonal work or economic cycles), participation can be sporadic.
- A Board of Trustees, either comprised of joint labour and management trustees or labour only trustees, usually is the administrator of a MEPP.
- Trustees are responsible for determining the level of benefits from the plan. Typically, trustees apply a defined benefit formula to convert what are negotiated or defined contributions. Contributions that are based on a member's hours worked are not used solely for that member's benefit, but are "pooled." Different benefit levels may apply to different groups of members. Questions of intergenerational equity inevitably arise in this context, particularly when alternatives are being considered with respect to benefit improvements.
- Even where it is possible to negotiate additional contributions, that process can take time. MEPPs, therefore, need flexibility to deal with short-term problems.

The trustees must essentially manage the delivery of a defined benefit, target-style of pension benefit using fixed contributions. The "tools" available to do this include the pooling of contributions across the entire plan membership (as opposed to the individual accounts inherent in a DC plan), the pooling of mortality risk, and the opportunity to pool risk across generations of workers. It should be reiterated that flexibility is required to deal with short term problems.

The current environment places a substantial onus on the plan's actuary to attest to the *sufficiency* of the plan's contribution rate to meet benefit promises. Nova Scotia's Regulations to the PBA contains the following:

For a multi-employer pension plan, an actuary must perform such tests as are necessary to determine the *sufficiency* (emphasis added) of the contributions required by the collective agreement or trust agreement to provide for the benefits set out in the plan, without consideration of any provision for reduction of benefits set out in the plan.

If, as a result of these tests, an actuary determines that the required contributions are not sufficient to provide for the benefits under the plan, the

actuary must propose options available to the trustees that if taken will result in the sufficiency of the required contributions to provide for the benefits under the plan, and the trustees must then take such action as will result in the required contributions being sufficient to provide for benefits under the plan.

It is worth noting that the test of sufficiency is not, itself, prescribed. Nevertheless, the regulations effectively impose the solvency test as a de facto minimum test – i.e., if a (specified) multi-employer plan has a solvency “problem”, it must deal with it over the same time frame as a single employer plan. This lack of flexibility is precisely what the CIA cited in its Report as being problematic when it comes to the funding and management of these plans. It states:

In some instances, difficulties stem from applying regulations designed for the operation of single employer plans that do not have negotiated contribution structures to multi-employer plans that do. The introduction of solvency tests based on wind-up valuations is one such example. It is possible that a plan, soundly funded on a going concern basis, can exhibit a solvency deficiency. MEPPs can be perceived to be in difficulty for a variety of reasons, and it is therefore important to put the expression “in difficulty” into context. A plan is considered to be in difficulty if, on a going concern basis, the assets and the reasonable projection of future contributions are inadequate to support accrued benefits and future benefit accruals, and there is no reasonable expectation of sufficient contribution increases or other additional funding. *A short-term solvency deficiency is not, of itself, evidence of difficulty* (emphasis added).

The imposition of solvency funding rules, whereby the remedy to a solvency deficiency must occur over not more than 5 years, has several flaws. These include:

- In many plans, the contribution rate covers much more than the plan’s current service cost, yet no credit is given for the cash injection provided by the residual amount beyond the next 5 years (for instance, on a \$5.00 contribution rate, only \$2.80 might be needed to cover current service, with the residual of \$2.20 being available for the actuary to consider when assessing the “sufficiency” of the \$5.00 contribution rate. Unfortunately, only 5 years worth of the residual can be considered).
- Solvency funding, in a multi-employer plan, has the very undesirable effect of transferring *all* risk to the current group of pensioners or about-to-be pensioners. Because there is no recourse for additional funding, benefits must be decreased. Often the benefits that are targeted are the pension accrual rate and early retirement subsidies, and, less frequently, pensions already in pay. Lowering the pension accrual rate or removing an early retirement subsidy places an enormous burden on older workers, and, if it turns out that the plan would have been able to sustain the original levels of benefits, huge and unnecessary disruption will have been created in their lives.

- There is little or no opportunity for the trustees to implement a longer term corrective plan, if one is needed.
- Little weight is placed on the plan's going concern position, even though this is arguably the more relevant measure of financial health in a multi-employer plan.

The disconnect between the ability to manage the plan on a going concern basis and the draconian responses that are potentially imposed by the solvency funding rules requires action and legislative change. The signal coming from a plan that is deemed fully funded on a going concern basis is that current benefit levels are indeed sustainable over the life of the plan. Imposing benefit reductions in this kind of an environment causes significant and potentially unnecessary disruption to a very narrow portion of the plan population – this point was made previously when we noted that such disruption was patently unfair. In addition, however, there is another unintended consequence, that being that the penalty paid by one group unintentionally benefits others, for if the original benefits were truly sustainable over the longer term then the “savings” realized by penalizing the narrow group will eventually be redistributed to others as windfall gains.

In this scenario, an intergenerational wealth transfer is a likely and very unintended consequence, made all the more odious because it should not have happened. The application of solvency funding rules, appropriate as they may be in the world of single employer plans, does not fit in the multi-employer world, and attempting to impose a fit instead imposes havoc.

A Brief Example

In 2005, a Nova Scotia MEPP that was fully funded on a going concern basis had a solvency deficiency. The plan's funded ratio, on a solvency basis, was 0.87. The plan's trustees were forced to (i) eliminate unreduced early retirement according to “the rule of 80”, and instead implement a 6% per year reduction for early retirement prior to age 60, and (ii) reduce the benefit accrual rate by 6%, from a pension benefit of \$0.06 per month for each hour worked to a pension benefit of \$0.0564 for each hour worked.

Consider the effect on a 54 year old who had been working for 24 years, averaging 1,200 hours worked per year, and who had been planning on retiring the following year. The monthly pension he had been expecting, starting at age 55, was:

$$\$0.06 \times 1,200 \times 24 = \$1,728 \text{ (or } \$20,736 \text{ p.a.)}$$

Now, given the trustees' actions, this member is faced with 2 choices:

- (i) still retire at 55, but on a monthly pension of \$1,137, or
- (ii) wait until age 60 and receive \$1,624 per month

In either case, the result is horrendous. Because the trustees are not given sufficient time to address the “problem”, they must make quick and drastic decisions that focus the consequences on people like the individual sited in this example. Furthermore, if hindsight suggests that the action was not, in fact, necessary (as the going concern position suggests), there is a very good chance that benefits will be restored to a majority of members – but not to this member if he has already retired.

The Trustees submit, therefore, that while the measurement of a plan's solvency position may offer insight at some level with respect to benefit security, the remediation as currently prescribed is misguided when it is applied to MEPPs.

Recommendation:

Going concern funding should not only continue to be a requirement, but, in fact, should constitute the minimum funding standard for MEPPs.

The Trustees recognize the role of the actuary in the current Act, and propose that it be maintained – i.e., the actuary should be required to (a) opine on the sufficiency of the contribution rate to provide for the benefits under the plan, and (b) recommend remedial action should the contributions be deemed insufficient. Such remedial action would normally be presented in the form of decreased benefits (including the accrual rate, ancillary benefits, and pensions-in-pay), but could also include an increase in contributions should this be feasible in the particular circumstance being considered (e.g., a diversion from wages to pension contributions within the overall negotiated compensation package).

The Trustees also believe that guidelines around how sufficiency is measured could be promulgated, either as non-statutory guidelines or via prescription. Such guidelines should be predicated on a going concern funding standard, where “going concern” is defined as assets and contribution levels being deemed sufficient to provide for the plan's benefits based on a long term financial outlook. This may lead to restrictions on going concern actuarial assumptions, or on the length of time available to address funding shortfalls, or on the ability to make plan improvements – to the extent such restrictions offer the opportunity for regulators to have an oversight role in respect of minimum MEPP funding, the Trustees are supportive of their creation.

Specific examples of such restrictions include (but are not limited to) the following:

- tying the actuarial discount rate to the plan's liability structure, or making it a function of solvency interest rates, or both. For instance, capping the discount rate at X % above the solvency rate could be a suggestion, where “X” could vary from 0% to, say, 3% depending on the maturity the plan.
- tying the amortization period over which to amortize going concern unfunded liabilities or plan improvements to the period over which they may reasonably be funded. In a younger, growing plan, this may be 15 or 20 years or more, while in a mature plan it may only be a few years. The concept of EARSL – Expected Average Remaining Service Life of the plan's active members – may be useful in this regard.

- not allowing benefit improvements unless the plan's funded ratio exceeds, say 105% on a going concern basis, or, alternatively, limiting the period over which improvements may be funded to the lesser of EARSL or 10 years.

The main point here is that solvency, while constituting a minimum funding standard, is an inappropriate standard to apply to multi-employer plans. The Trustees, however, recognize the importance of regulatory safeguards, and agree that legislated minimum standards are appropriate.

Recommendation:

Restrictions around going concern funding, including the choice of actuarial discount rate and the period over which deficits may be amortized, should be developed through consultation with the MEPP industry. Consideration should also be given to restricting benefit improvements in those plans that are less than fully funded on a going concern basis.

Although not asked specifically by the Panel, communication is another important aspect of benefit safety and security. Communication with plan members enhances their understanding of the benefits provided under the plan, as well as the potential for problems; in so doing, it also makes the Trustees more accountable to the members of their respective plans.

Recommendation:

Minimum standards with respect to communication, including frequency, format, and content, should be developed in consultation with the MEPP industry.

The concepts of full funding on wind-up and the implementation of hybrid solutions are redundant when it comes to specified multi-employer plans. If the assets in the trust are insufficient at any time – either on a going concern basis or upon actual plan wind-up – to support the promised benefits, then the plan's trustees are required by statute to decide upon and implement benefit reductions.

8. Surpluses

Should regulators speak to the question of the ownership of plan surpluses? If so, what should it say?

Is the concept of “deferred wages” valid? If so, is there any current validity to it with respect to the determination of the responsibility for funding and for entitlement to surplus?

For defined benefit MEPPs in the construction industry there is no question about surplus ownership, because these plans are established as trust funds for the exclusive benefit of the beneficiaries. Furthermore, the pension benefits provided by these plans are clearly “deferred wages”, because contributions are part of a total hourly compensation package. The Unions specify the portion of the total compensation package that goes to wages, pension contributions, and other remittances. If the pension contribution goes up, wages go down – and vice versa.

Recommendation:

In the event the Legislature decides to intervene and change the rules on surplus ownership, defined benefit MEPPs in the construction industry should be expressly exempted. These plans are intended to be trust funds for union members and they should remain as such.

9. Governance

Should government attempt to define, audit, and regulate “good governance”? Why or why not? If so, what types of governance issues should be regulated?

Given that there are associated costs with governance, what is an appropriate cost for “good governance”?

Good pension plan governance is vital to safeguarding benefits promised under pension plans. As the Discussion Paper notes, poor governance can cause many problems for a plan, including underfunding.

The Trustees are proud of their efforts and achievements in developing and implementing good governance policies. Given the importance of good governance to the pension promise, we believe very strongly that governance should be regulated and audited under the *Pension Benefits Act*.

Any regulation of governance must strike a careful balance. Standards must be specific enough to enable compliance, reporting, and oversight by the regulator, while being flexible enough to apply to all types and sizes of plans.

Recommendation:

The Act should require a written governance policy for all plans that includes the following:

- governance objectives
- the delineation of roles of all those who play a role in governance
- policies on documentation, record keeping, funding, investment, expense control, benefits administration, outsourcing, compliance, communication, and fees
- performance measures, monitoring, and corrective actions
- a conflict resolution process
- a conflict of interest policy
- regular reviews of compliance with the governance policy

Recommendation:

The Act should require governance policies to be filed with the Superintendent, and plan administrators should be required to report on their compliance with the policy as part of the annual filing requirements under the Act.

Recommendation:

The Act should authorize the Superintendent to investigate and audit compliance with governance standards, and to make orders requiring corrective action if plan governance does not meet the legislated standards.

10. Role of Regulators

Does the current regulatory system work effectively? Are there currently unnecessary rules and regulations in place? If so, what are they? Should the appeal process be changed? If so, how?

The Trustees submit that there are several aspects of the current regulatory regime that could be improved to better serve the interests of plan members, administrators, and other participants in pension plans.

Recommendation:

As discussed above, the circumstances in which a wind-up of a MEPP may be ordered by the Superintendent need to be clarified. These circumstances should be limited to those set out in s. 74(1)(g) of the *Pension Benefits Act*. The additional, broad discretion conferred on the Superintendent under Section 73(4) should be eliminated.

Recommendation:

The Nova Scotia *Pension Benefits Act* should more directly and explicitly recognize the variety of MEPPs and other pension plan structures. This would improve the ability of the regulatory regime to focus on and respond to the unique characteristics and requirements of different plan designs. It would also serve to highlight the differences between plans so that the impact of proposed regulatory changes is carefully considered for each type of plan. In particular, the category of SMEPPs should be included in the definitions in the Act and regulated having regard to the specific features of these plans and the industries in which they are found.

Recommendation:

It would be helpful, particularly in tailoring regulatory requirements, to have reported statistics on the numbers of MEPPs as compared to SEPPs in the Province, including the number of MEPP members and participating employers, and even comparing the different kinds of MEPPs.

Recommendation:

The Act should recognize and permit social, ethical and environmental considerations as a valid part of the investment process.

Recommendation:

For MEPPs, the Act should require written participation agreements that must be filed with the Superintendent. The Act should automatically bind an employer making contributions to a SMEPP to the Trust Agreement.

Recommendation:

The appeal process under the Act should be amended to eliminate the reconsideration by the Superintendent of his or her own decisions and instead provide a right of appeal to an independent, expert tribunal. It is our understanding that no Superintendent has ever reversed a proposed order

after a reconsideration hearing, which brings into question the effectiveness of this step and the efficiency of the process for all participants.

The information provided in the annual reports made under the Act indicates that relatively few orders have been made by the Superintendent over the years. We have compiled this information in Appendix "B". There are 18 reported orders by the Superintendent to the year ending March 31, 2006. Of these, 11 were subject to reconsideration. In each case, the Superintendent confirmed the proposed order. Of the total orders made, 8 were appealed to the Trial Division and 4 were further appealed to the Court of Appeal. Five of the orders were overturned by the Courts and 3 were upheld.

The right of appeal to the expert tribunal should be framed in the same broad terms as the existing right of appeal to the Supreme Court of Nova Scotia and should grant the tribunal the power to confirm the Superintendent's decision or substitute any decision the Superintendent was authorized to make. The Tribunal's decisions should then be subject to appeal directly to the Court of Appeal on questions of law and jurisdiction only, similar to the appeal provision under the *Workers' Compensation Act*.

The decisions and reasons of both the Superintendent and the tribunal should be made publically available so that administrators, plan members and other participants can know how the Act and Regulations are being interpreted and applied.

11. Unlocking Funds

To what extent should regulators attempt to regulate an employee's right to access funds?

The Trustees submit that an employee's ability to unlock his or her pension benefits should be strictly regulated and limited to cases involving serious medical issues and expenses. Given the cyclical nature of employment in the construction industry, it would be too tempting for employees to dip into their pensions to get through slow times if the existing restrictions were eased.

12. Grow-In Benefits

Should the legislation require grow-in benefits to be provided on a plan wind up?

Should legislators maintain the requirement to fund grow-in benefits on wind-up?

MEPPs are exempt from the requirements to provide and fund grow-in benefits on a plan wind-up and the requirement to fund grow, so the Trustees make no submission on grow-in benefits except to say that these exemptions should be continued.

Grow-in benefits are not appropriate given the unique features of a classic MEPP in the construction industry. In the unlikely event such a MEPP is wound up, any funding deficiency will result in benefits being reduced. If grow-in benefits are required, one group of plan members (i.e., those whose age plus years of service equal at least 55) will have their pensions enhanced at the direct expense of all other plan members. In our submission, this would be inequitable.

13. "Safe Harbour" Rules

Should "safe harbour" rules be established that would give DC plan sponsors and administrators protection from litigation?

The Trustees submit that DC plan sponsors and administrators should not be protected from litigation by following certain "best practices".

All plan sponsors and administrators - for both DC and DB plans - should be held to the same standards, including the standards set out in the *Pension Benefits Act* and imposed by the common law.

14. Phased Retirement

What other issues are raised by phased retirement and what should be the regulatory position of Nova Scotia?

The Trustees strongly support the implementation of phased retirement in Nova Scotia.

The ability to continue working while both receiving pension benefits and accruing additional benefits under a pension plan will help to address two problems experienced by the unionized construction industry: a lack of skilled tradespeople, and the loss of skilled tradespeople to non-union employers.

Currently, many union members who retire and commence receiving a pension do continue working. However, the inability to accrue additional pension benefits under their pension plan creates a disincentive to work for unionized participating employers under the collective agreement. If retired members work under the collective agreement, part of their total hourly compensation package automatically goes to pension contributions for which they get no benefit. In these circumstances, many retirees now go to work either locally or in Western Canada for non-union employers who are competing with unionized employers. This is contrary to the interests of the unions and their members, the unionized employers who participate in the pension plans. The ability to receive pension benefits while continuing to work and accruing additional benefits will provide an incentive to work for unionized employers under the collective agreements.

The Trustees submit that any legislated phased retirement should be at no cost to a pension plan, at least in the case of construction industry MEPPs. Any additional cost to the plan would unfairly impact other plan members.

Any legislated rules governing phased retirement must be able to accommodate the particular nature of employment in the construction industry and the operation of MEPPs. Phased retirement is generally described in the context of a single employer-sponsored pension plan. In that context, the employee works part-time while receiving a portion of her or her pension benefit, and the employer decides which employees can participate. In the construction industry, however, employees will decide whether to continue working and the amount they want to work. They will not work part-time or set hours.

15. Conclusion

The Trustees of the Mainland Nova Scotia Building and Construction Trades defined benefit pension plans sincerely hope that our submissions are of assistance to the Pension Review Panel, and we hope to have the opportunity to meet with the Panel to discuss in greater depth the particular issues facing our plans. We welcome any questions the Panel members may have with respect to these issues and our submissions.

We conclude with a list of the recommendations made in our submissions:

1. The circumstances in which a wind-up of a MEPP may be ordered by the Superintendent should be limited to the circumstances in s. 74(1)(g). The additional, broad discretion in Section 73(4) should be eliminated.
2. It would be helpful if the *Nova Scotia Pension Benefits Act* more directly and explicitly recognized the variety of MEPPs and other pension plan structures. This would improve

the ability of the regulatory regime to focus on and respond to the unique characteristics and requirements of different plan designs. It would also serve to highlight the differences between plans so that the impact of proposed regulatory changes is carefully considered for each type of plan. In particular, the category of SMEPPs should be included in the definitions in the Act and regulated having regard to the specific features of these plans and the industries in which they are found.

3. To promote the improvement of benefits and financial security in retirement, the Act should encourage the establishment and continuation of defined benefit plans. It is widely acknowledged that defined benefit pension plans provide employees with the greatest security. We disagree with the suggestion in the Discussion Paper that the government should not encourage a certain type of plan. The Trustees believe that it is in the interest of all Nova Scotians to encourage pension plans that provide the hard working people of this Province with the best possible pensions and the most secure retirement.
4. The Superintendent's duties should be expanded to include an educational role. To attain the goals of the Act, it is important that employees and the public generally have a better understanding of pension issues, including their rights under the Act, the obligations of employers and administrators, the types of plans and the benefits they provide, funding, investment, and the importance of pensions for retirement.
5. The MEPP model should be promoted and extended to enhance the availability of a defined benefit pension plan to as many workers as possible.
6. Going concern funding should not only continue to be a requirement, but, in fact, should constitute the minimum funding standard for MEPPs.
7. Restrictions around going concern funding, including the choice of actuarial discount rate and the period over which deficits may be amortized, should be developed through consultation with the MEPP industry. Consideration should also be given to restricting benefit improvements in those plans that are less than fully funded on a going concern basis.
8. Minimum standards with respect to communication, including frequency, format, and content, should be developed in consultation with the MEPP industry.
9. In the event the Legislature decides to intervene and change the rules on surplus ownership, defined benefit MEPPs in the construction industry should be expressly exempted. These plans are intended to be trust funds for union members and they should remain as such.

10. The Act should require a written governance policy for all plans that includes the following:
 - governance objectives
 - the delineation of roles of all those who play a role in governance
 - policies on documentation, record keeping, funding, investment, expense control, benefits administration, outsourcing, compliance, communication, and fees
 - performance measures, monitoring, and corrective actions
 - a conflict resolution process
 - a conflict of interest policy
 - regular reviews of compliance with the governance policy
11. The Act should require governance policies to be filed with the Superintendent, and plan administrators should be required to report on their compliance with the policy as part of the annual filing requirements under the Act.
12. The Act should authorize the Superintendent to investigate and audit compliance with governance standards, and to make orders requiring corrective action if plan governance does not meet the legislated standards.
13. The Trustees submit that the Act should recognize and permit social, ethical and environmental considerations as a valid part of the investment process.
14. For MEPPs, the Act should require written participation agreements that must be filed with the Superintendent. The Act should automatically bind an employer making contributions to a SMEPP to the Trust Agreement.
15. The appeal process under the Act should be amended to eliminate the reconsideration by the Superintendent of his or her own decisions and instead provide a right of appeal to an independent, expert tribunal. It is our understanding that no Superintendent has ever reversed a proposed order after a reconsideration hearing, which brings into question the effectiveness of this step and the efficiency of the process for all participants.

The right of appeal to the expert tribunal should be framed in the same broad terms as the existing right of appeal to the Supreme Court of Nova Scotia and should grant the tribunal the power to confirm the Superintendent's decision or substitute any decision the Superintendent was authorized to make. The Tribunal's decisions should then be subject to appeal directly to the Court of Appeal on questions of law and jurisdiction only, similar to the appeal provision under the *Workers' Compensation Act*.

The decisions and reasons of both the Superintendent and the tribunal should be made publically available so that administrators, plan members and other participants can know how the Act and Regulations are being interpreted and applied.

In preparing these submissions, we wish to acknowledge the input and assistance from legal counsel, and from and our plan actuaries Peter C. Hayes, FSA, FCIA (Principal, Eckler Ltd.) and Doug Taylor, FSA, FCIA (Managing Director, Plenus Consultants).

All of which is respectfully submitted by the Trustees Mainland Nova Scotia Building Trades defined benefit pension plans.

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Endnotes

¹ Figures are as at December 31, 2007.

² Susan Deller and Cameron Hunter, "The Multi-Employer Experience" (September 2004) *Benefits Canada*, at p. 39.

³ Elizabeth Shilton, "Current Issues Concerning Multi-Employer Pension Plans in Ontario" (October 31, 2007) at pp. ix-x.

⁴ Nova Scotia, House of Assembly, Debates, Fifty-eighth General Assembly, Second Session (May 25, 2001), p. 3395.

⁵ For a review of different categories of pension plans relating to MEPPs, see "Current Issues Concerning Multi-Employer Pension Plans in Ontario", *ibid.*, at pp. xxiii – xxxviii.

Appendix "A"**Participating Employers**

Plan Name	Number of Participating Employers		
	2005	2006	2007
Heat & Frost Insulators, Local 116	39	27	35
Plumbers & Pipefitters, Local 244	61	52	65
Sheet Metal Workers, Local 409	42	42	50
Operating Engineers, Local 721/902/904	237	176	201