

November 18, 2019

Delivered via FSRA's Online Submission System

Financial Services Regulatory Authority of Ontario
130 Adelaide St W, Suite 800
Toronto, ON M5H 3P5

Re: Draft 2020-21 FSRA Priorities and Budget

Dear Sirs/Mesdames:

We are writing in response to the consultation on FSRA's Draft 2020-21 Priorities and Budget. We appreciate the opportunity to provide feedback.

As a large, jointly-sponsored defined benefit pension plan for almost half a million members and nearly one thousand participating employers, OMERS core mission is to deliver secure and sustainable pensions to our members. To achieve this, OMERS believes in a balanced and thoughtful approach to the regulation of Ontario's pension plans.

From this perspective, we support FSRA's continued focus on burden reduction and regulatory effectiveness as well as the specific priorities FSRA has identified for the pension sector. We believe that a continued focus on these priorities will help to promote the sustainability of the pension system in Ontario and ensure the pension system is operated in an efficient and fair manner.

In our submission earlier this year on FSRA's 2019-20 priorities, we encouraged FSRA to establish a balanced principles-based approach for the pension sector before undertaking substantive work on its priorities. To this end, we are reassured by the principles FSRA has developed to guide its oversight of the pension sector. In our view, these principles reflect FSRA's statutory objectives to promote good administration of pension plans and protect and safeguard the pension benefits and rights of pension plan beneficiaries.

In terms of FSRA's progress on its specific 2019-2020 priorities, we have seen progress in several areas, including:

- the implementation of the relationship model for large public sector / jointly sponsored pension plans;
- increased support for complex transactions;
- the development of FSRA's guidance framework, especially clarity on when guidance is legally binding compared to when it is provided for information purposes;

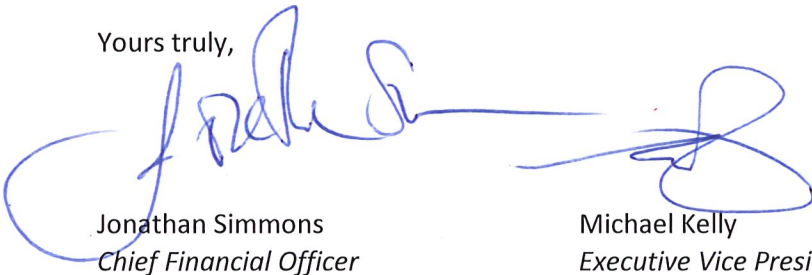


- the increase in pension specific expertise, particularly when it comes to the prudential supervision of the pension sector; and
- the establishment of the pension technical advisory committees, stakeholder advisory committee and the standing technical advisory committees.

In terms of priorities for 2020-21, we encourage FSRA to:

- include relationship management as a key skill across all activities, not just plan consolidation activity and complex transactions;
- continue to build and strengthen pension expertise across the organization;
- continue to collaborate with the pension sector as FSRA transitions to its principles-based approach to regulation;
- continue to use the technical advisory committees as a tool to develop ways to reduce regulatory burden and improve regulatory effectiveness, including the establishment of the committee for family law matters next year; and
- include an innovation component (e.g., what can we learn from other jurisdictions and disciplines such as behavioural insights/economics?) as part of the mandate for the new advisory committee that will be tasked with identifying ways to foster a vibrant employment-based pension pillar in Ontario.

Yours truly,



Jonathan Simmons
Chief Financial Officer

Michael Kelly
Executive Vice President & General Counsel