

I have reviewed the terms and the large increases in the fees being charged by FSRAO for pension plans, and in particular for those plans with less than 91 participants.

The fees are disproportionate to the size of the plans and the proposed quadrupling of the minimum fees over the last few years is not justified by inflation. Many of these plans are trapped into the provincial system under the Act, or as the result of other statutory issues, and have no choice but to pay the fees. However, paying the fees lead to financial instability, diversion of assets from producing pensions and additional uncertainty of the level or even possibility of receiving pension payments.

The large relative level of fees, especially compared to larger plans, may require the bankruptcy of small companies with deferred vested or retired members as required pension contributions become higher and higher. These fees do not correspond to a purpose of sustainability of retirement income plans, protecting the vulnerable pensioners, or of putting consumer protection first on FSRAO's agenda.

There is no justification presented for any of these charges, or of the services that FSRAO provides for these plans. I don't know if disclosure and transparency would make the huge relative fees any more acceptable, but the increases do not seem to be related to any value being provided. The so-called "variable share" is not disclosed, and the reason that large (government) plans should not be paying a "fair" share is not discussed.

It would seem that in the public interest, FSRAO should be reducing the fees on small plans to reasonable levels to encourage registered retirement programs rather than over-taxing them and destroying both existing plan and discouraging future plans from concerned employers. Not all employers are huge organisations with massive incomes government income. It would benefit the public if FSRAO were to actually consider the needs of smaller employers to provide plans on a truly sustainable basis.

In my opinion, since we still do not know the value that FSRA adds, an annual fee in the order of \$11.11 per member with a minimum fee of something in the range of \$200 for plans with 91 members or less would be more appropriate for small plans than what is being proposed.