



May 4, 2018

Marc Sharrett, Director  
Income Security and Pension Policy Division  
Ministry of Finance  
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7 Queen's Park Crescent  
Toronto, ON M7A 1Y7  
Via email: [Marc.Sharrett@ontario.ca](mailto:Marc.Sharrett@ontario.ca)

**RE: Regulatory consultation (18-MOF-014) - Ontario's Proposed Funding Rules for Multi-Employer Pension Plans that Offer Target Benefits**

Dear Mr. Sharrett,

I am writing on behalf of the Ontario Nonprofit Network (ONN) to provide comments in response to your Ministry's regulatory proposal on funding rules for target benefit (TB) Multi-Employer Pension Plans (MEPPs) under the Pension Benefits Act. In particular, I would like to express our disappointment that the framework does not enable non-union workplaces to participate in TB MEPPs. Such a framework would enhance the retirement income security of nonprofit workers in our province and we urge your Ministry to prioritize the introduction of an enabling framework for non-union workplace participation in these types of pension plans.

ONN is the provincial network for the 55,000 nonprofit organizations across Ontario that make communities more vibrant, innovative and inclusive places to live, work and play. About half of these organizations have paid staff. The community nonprofit sector employs approximately a million people, including part-time employees, and contributes \$50 billion to Ontario's economy. The vast majority of our sector's workers (80 to 85 percent) work in non-unionized environments.

The retirement income security of Ontario nonprofit sector workers is an important priority for the sector, and ONN has been working for over two years to create a pathway for Ontario's nonprofit workplaces to join or build a sector-wide pension plan. Our 2017 [pensions task force report](#) recommended a MEPP that offers target benefits as an appropriate mechanism for maximizing the retirement income security of nonprofit workers while balancing risks and benefits for both nonprofit employers and employees.

In September 2015, [we responded to the Ministry of Finance's](#) initial consultation on TB MEPPs, indicating that we were exploring the viability of such a plan for our sector, whether new or adapted from an existing plan. We urged the government to consider the nonprofit sector when

constructing a regulatory framework for TB MEPPs-- and in particular, the fact that most of our sector's workplaces are not subject to a collective agreement.

In June 2017, your Ministry [signalled via a press release](#) an intention to "continue to explore options for a framework for non-collectively bargained MEPPs." After seeing no further progress on this commitment in the 2017 Fall Economic Statement, ONN staff spoke to your colleague Lynn Lawson, who was Acting Director of the Pensions Policy Unit at the time, to reiterate our interest in an enabling framework for non-union workplaces to participate in TB MEPPs. We were informed that the Ministry had other priorities to address in terms of the TB MEPP regulatory environment but that the issues does continue to be raised by stakeholders.

Now that the Ministry has made public its regulatory framework for TB MEPPs, we are disappointed to see that the framework does not take into account the importance of creating access for workers in non-union workplaces. We know that this government shares our desire to enhance access to retirement income security for Ontario's nonprofit workers.

We hope that there will be opportunities in the near future to create a regulatory framework that would enable non-union workplaces to participate in TB MEPPs. We have a number of recommendations concerning how to balance the risks and benefits of such plans for workers and employers and we look forward to working with you and your colleagues at the next available opportunity on this important question.

Sincerely,



Cathy Taylor  
Executive Director

Copied to:

The Hon. Charles Sousa, Minister of Finance, via [charles.sousa@ontario.ca](mailto:charles.sousa@ontario.ca)

The Hon. Kevin Flynn, Minister of Labour, via [kevin.flynn@ontario.ca](mailto:kevin.flynn@ontario.ca)

The Hon. Laura Albanese, Minister for Citizenship and Immigration, via [laura.albanese@ontario.ca](mailto:laura.albanese@ontario.ca)