



Strategic Plan 2016-2019

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INDEX

Strategic Plan

FOREWORD1

VISION3

MANDATE/MISSION4

VALUES5

STRATEGIC PRIORITIES.....6

2016-2019 STRATEGIC INITIATIVES7

Foreword

On behalf of all members of the Canadian Association of Pension Supervisory Authorities (CAPSA), it is my pleasure to present the CAPSA Strategic Plan 2016 -2019.



Angela Mazerolle
Chair, CAPSA

CAPSA last released a strategic plan in June 2012, which has guided the activities of the organization over the past three years. During that period, CAPSA has made significant progress on the key strategic initiatives, including the publication of *CAPSA Guideline 8 – Defined Contribution Pension Plans Guideline* in the spring of 2014. As well, CAPSA enhanced its engagement with industry stakeholders by holding in-person annual Stakeholder Dialogue Sessions in both the spring of 2015 and 2016, which we plan to continue into the future.

Today’s economic environment continues to present challenges for both plan administrators and members. Stephen Poloz, Governor of the Bank of Canada, recently warned the pension industry to expect interest rates to remain low for a very long time. Combining this with other factors such as higher financial market volatility and Canadians living longer signifies that the environment for pension plans will continue to present new challenges. As risk is shifted to pension plan members through defined contribution plans and plan innovations designed to facilitate shared risk, members find themselves making more decisions about their retirement assets and options. Plan administrators are grappling with how to assist them.

Globally, plans are wrestling with similar pressures. In order to collaborate and share information regarding our shared challenges, CAPSA became a member of the International Organisation of Pension Supervisors (IOPS) in 2015. Since joining, CAPSA has been actively participating in IOPS and will participate in upcoming work on the revision of the IOPS Principles of Private Pension Supervision.

While CAPSA members cooperate in order to solve common problems, we are not homogeneous. Each jurisdiction has its own policy objectives, and CAPSA members supervise registered pension plans in conformity with the laws of their jurisdiction. However, CAPSA members are all equally committed to protecting Canadian plan

members who rely on us to ensure that their future promise is fulfilled and to enhance and maintain confidence in the pension sector.

With input from our stakeholders CAPSA has revisited its strategic priorities, as well as identified new and continuing initiatives that will form the basis of the association's activities until 2019. This Strategic Plan is an ambitious one but with the cooperation of our stakeholders we are confident that we will meet the objectives.

Angela Mazerolle
Chair

Vision

CAPSA's vision is...

A coordinated and harmonized pension regulatory
system in Canada.

In pursuing our vision, we will work to protect the entitlements of pension plan beneficiaries while fostering a coordinated national approach to the regulation of pension plans.

Mandate/Mission

CAPSA is a national interjurisdictional association of pension regulators whose mission is to facilitate an efficient and effective pension regulatory system in Canada. It develops practical solutions to further the coordination and harmonization of pension regulation across Canada.

CAPSA consists of the regulatory authorities of pension plans from each Canadian province (except Prince Edward Island) and the federal government.

The principal responsibility of the regulatory authorities is to administer the pension plan regulatory system under their authority. In particular, they must ensure that the pension plans and their administration are in conformity with the law. The regulatory authorities also act as key advisors to their governments on regulatory issues related to pension plans.

The regulatory authorities are connected by agreements, allowing administrators of multi-jurisdictional pension plans to report to only one regulatory authority, which is responsible for ensuring the application of the laws of all the authorities concerned.

CAPSA's role is to promote the coordination and harmonization of regulation of pension plans. CAPSA provides a forum where pension regulators across Canada share information on regulatory issues being addressed in their jurisdiction, and where possible, collaborate in developing solutions to address regulatory issues.

CAPSA develops harmonized regulatory policies and guidelines to improve pension plan administration and enhance the protection provided to pension plan members across Canada.

Canada Revenue Agency and Statistics Canada are associate members of CAPSA.

Values

Organizations are driven by the shared values of their members. These values define acceptable behaviour and dictate how members relate to one another and to stakeholders.

We have a shared commitment to the values set out below.

- Teamwork
- Responsiveness
- Openness, Accessibility and Transparency
- Accountability
- Innovation

Approach

- Our approach is proactive, consultative and collaborative.
- We coordinate our regulatory activities and share information.
- We conduct research and examine pension issues and trends in order to respond effectively and stay informed.
- We strive to work with our stakeholders in order to develop outcomes that meet our common objectives.

Strategic Priorities

In order to address the challenges we face, we have established the following strategic priorities:

- Support the adoption and continued implementation of the Agreement Respecting Multi-Jurisdictional Pension Plans.
- Develop recommendations for a common regulatory approach to the funding of benefits offered by registered pension plans other than defined contribution plans.
- Promote a common regulatory approach and consistent standards for Defined Contribution Pension Plans.
- Promote a common regulatory approach and consistent standards for pension plan administration in specific areas.
- Align supervision with international best practices.
- Proactively identify emerging pension issues.

2016-2019 Strategic Initiatives

CAPSA will pursue its strategic priorities by focusing on the initiatives outlined below over the next three years.

Priority: Support the adoption and continued implementation of the Agreement Respecting Multi-Jurisdictional Pension Plans.

- Finalize the Agreement (the Final Agreement).
- Facilitate the Adoption of the Final Agreement by Jurisdictions.
- Monitor legislative changes that are introduced across Canada, consider their implications and recommend changes to the Final Agreement as appropriate.

Priority: Develop recommendations for a common regulatory approach to the funding of benefits offered by registered pension plans other than defined contribution plans.

- Develop recommendations for best practices to funding benefits including related valuation issues.
- Conduct research and examine de-risking options and assess appropriate legal discharges.
- Provide regulatory guidance on approaches to enhancing benefit security.

Priority: Promote a common regulatory approach and consistent standards for Defined Contribution Pension Plans.

- Review the *CAPSA Guideline No. 8 - Defined Contribution Pension Plans Guideline* related to the pay-out phase and consider:
 - Retirement Projections and Tools,
 - Disclosure, and
 - Retirement Income Options.

Priority: Promote a common regulatory approach and consistent standards for plan administration in specific areas.

- Review *CAPSA Guideline No. 2 - Electronic Communication in the Pension Industry* and amend, if necessary.
- Complete the work on pension governance guideline including finalizing *CAPSA Guideline No. 4 - Pension Plan Governance Guideline and Self-Assessment Questionnaire*.

- Provide guidance to plan administrators on steps to find un-locatable/missing members.

Priority: Align supervision with international best practices.

- Collaborate with the International Organisation of Pension Supervisors (IOPS) members in order to revise IOPS Principles of Private Pension Supervision.
- Align CAPSA principles with new IOPS principles.

Priority: Proactively identify emerging pension issues.

- Conduct research, engage stakeholders and examine emerging issues such as risk management including the use of leverage.