Human Resources Legislative Update

FSCO Releases Guidance Note on Revised CIA Standards of Practice

Date: June 21, 2011

The Financial Services Commission of Ontario ("FSCO") released its Guidance Note (PDF) with respect to how it expects plans to apply the revised Canadian Institute of Actuaries' ("CIA") Practice-Specific Standards for Pension Plans (the "Standards").

The Guidance Note expressly states that the application of some of the CIA revisions to the Standards, which became effective on December 31, 2010, may result in the use of assumptions which FSCO would not consider "appropriate" for an actuarial valuation report filed under the *Pensions Benefits Act* and applicable regulations.

In light of FSCO's enhanced powers to reject a valuation where it does not agree with the assumptions used regardless of whether the assumptions are consistent with accepted actuarial standards, this Guidance Note, while not of legislative force, is particularly important.

The Guidance Note follows the release of a previous consultation paper and submissions, which are available here.