



## **Notice to Current and Former Members of the Nursing Homes and Related Industries Pension Plan (the “NHRIPP” or Plan”) (FSCO Registration No. 0996983)**

November 15, 2024

Ontario’s pension law for multi-employer pension plans is being changed. In response the NHRIPP is changing how benefits being transferred out of the Plan will be calculated. This change will **not** affect how the Plan’s monthly pensions are paid.

### **Background**

There are two kinds of pension plan funding. Going concern funding assumes a plan will continue indefinitely. Solvency funding assumes it was terminated and all benefits were paid immediately. Solvency funding normally values benefits higher than going concern funding.

Going concern funding makes sense for the NHRIPP since there are no plans to terminate it and it has hundreds of contributing employers. On January 1, 2024, the NHRIPP was fully funded on a going-concern basis and 80.9% funded on a solvency basis.

The pension law of most provinces now says when former members transfer their benefits out of a multi-employer plan instead of receiving a monthly pension, the plan can pay them the going concern funded portion of their benefits. If the plan is less than fully funded the benefits being transferred will be reduced to the plan’s going concern funded level. Former NHRIPP members subject to non-Ontario pension law are already paid this way.

Ontario’s pension law now says multi-employer plans can be funded on a going concern basis but they must calculate former members benefits on a solvency basis. On January 1, 2025 Ontario’s pension legislation will change to more closely reflect the pension law of most other provinces.

In response, the NHRIPP will pay former Ontario members who have a break in service after December 31, 2024 the going-concern funded portion of their benefits to a maximum of 100%. If the NHRIPP’s going concern funded level is less than 100%, the benefits of the transferring former member will be reduced. (Only former members younger than 55 can transfer their benefits out of the Plan.) Death benefits, which are not paid as a pension, will also be paid at the Plan’s going-concern funded level, to a maximum of 100%.

## **Comments on the Amendment**

If you have any comments about this change, you can provide them to the NHRIPP's Board of Trustees, or the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario ("FSRA") using the contact information below.

NHRIPP Board of Trustees 105 Commerce Drive West, Suite 310 Markham, ON L3T 7W3 Phone: 905-889-6200 or 1-800-287-4816 E-mail: <a href="mailto:information@nhripp.ca">information@nhripp.ca</a> Website: <a href="http://www.nhripp.ca">www.nhripp.ca</a>	Chief Executive Officer Financial Services Regulatory Authority of Ontario 25 Sheppard Avenue West, Suite 100 Toronto, ON M2N 6S6 Phone: 416-250-7250 E-mail: <a href="mailto:contactcentre@fsrao.ca">contactcentre@fsrao.ca</a>
--	--

## **Registration Process**

The amendment will soon be filed FSRA for registration. It may be registered 45 days after the date this notice was distributed.

1415-0088-9872, v. 1