

**Canadian Law**

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Via mail and e-mail

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The Honourable Dwight Duncan  
Minister of Finance  
Attention: Comments on Report of the Expert Commission on Pensions  
c/o Pension and Income Security Policy Branch  
5th Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto, ON M7A 1Y7

Dear Minister Duncan:

**Re: Report of the Expert Commission on Pensions**

I am writing to provide comment from Manulife Financial on the Report of the Expert Commission on Pensions.

Our company works with thousands of Canadian employers and associations to provide millions of Canadians with defined contribution (DC) pension plans, group RRSPs and group health and benefit plans.

We commend the Government and the Commission for examining ways to expand pension coverage and retirement savings. In accordance with its mandate, the Commission focused its analysis and recommendations on issues related to defined benefit (DB) pension plans. We note that there has historically been very little focus from policymakers on improving the framework for DC pensions.

Over the past decade there has been a significant increase in the number of employer sponsored DC pensions and group RRSPs. The majority of these new plans have been sponsored by small and medium sized employers. We believe a broader focus on retirement savings, including DC pensions and RRSPs may have provided the government with a more complete picture of how employers are helping Ontarians save for retirement.

While improving DB plans is important, the Commission noted that making changes to DB pensions is highly politicized. We believe there are a number of non-controversial changes that could be made to the DC pension framework to reduce cost, liability and uncertainty for employers. This could improve the current pension plans of hundreds of thousands of Ontarians. It would also encourage more employers to offer employee pension plans.

The Commission recommended pensions be available for small and medium sized business that:

- offer pooling of assets to lower investment costs,
- are available on a multi-employer basis to reduce administration burden and employer liability, and
- that provide targeted benefits.

To a certain extent, DC pensions already provide similar features. We believe that with appropriate regulatory and policy changes, the financial services industry could develop DC pensions that are even more closely aligned with the Commission recommendations.

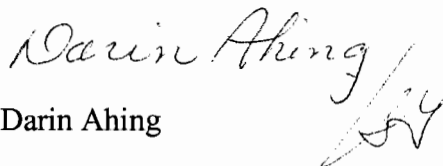
We believe that there is an opportunity for government to collaborate with employer groups and the financial services industry to create plans that are attractive to more small businesses. The financial services industry could introduce these plans relatively quickly and at no cost to the Province.

As noted above, Manulife offers savings and health benefits plans to large and small businesses across Canada. Regulations governing RRSPs and the rules related to health benefit plans are largely uniform across the country. This greatly simplifies the administration of these products which lowers cost and results in significant savings for employers and individuals. Different pension laws in each province and the inflexibility of these pension regulations make it very difficult for us to offer a simple DC pension plan to small businesses across Canada.

While Ontarians would benefit from an improved DC pension framework, there would be additional benefits if financial services companies could make simple DC pension plans available across Canada. We strongly support the Commission's call for a national pension summit and believe that the Government of Ontario is uniquely positioned to provide leadership in this effort.

We look forward to continuing to work with your government and other stakeholders to improve the retirement savings of Ontarians and Canadians.

Yours truly,

  
Darin Ahing

DA/sg