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April 20, 2010

Ms. Celine Chiovitti
Director, Human Resources Benefits & Pensions
The City of Toronto
Pension Section, Metro Hall
55 John Street, 13th Floor
Toronto, ON
M5V 3C6

Dear Celine:

**Re: Toronto Fire Department Superannuation and Benefit Fund
Certification as per Pension Indexing Policy**

As per Section 8 of the Pension Indexing Policy, I confirm the following with respect to the 2009 plan year:

- (1) The investment rate of return based on the 5 year smoothed actuarial value of assets does not exceed the rate of return required to maintain the actuarial solvency of the Plan, as determined by the indexing formula. The 2009 investment rate of return was 4.28% compared to the required rate of return to maintain the actuarial solvency of 4.81%. CPI in respect of 2009 was 0.29%.
- (2) The plan is in a surplus position of \$47,055,000 on a going concern basis at the calendar year end.
- (3) The plan is not in a surplus position on a wind-up basis at the calendar year end. If the plan were to wind-up a deficit of \$9,805,000 would exist.
- (4) If a pension increase were implemented, the plan would be put into a further deficit position on a wind-up basis. The cost to provide an increase to all pensioners and beneficiaries based on 100% CPI would be approximately \$0.7 million on a going concern basis and \$0.8 million on a solvency basis.
- (5) Given all 3 of the required tests to grant an automatic pension increase have not been met, City Council approval is required.

If you have any questions, please give me a call.

Sincerely,



Cynthia L. Rynne

CRN/amk/hst