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July 9, 2020

Mr. Hatem Belhi
Director, Pension Payroll & Employee Benefits
City of Toronto
Metro Hall, Pension Section
55 John Street, 13th Floor
Toronto, ON M5V 3C6

Dear Mr. Belhi,

RE: December 31, 2019 Actuarial Valuation Report

We are writing regarding the status of the December 31, 2019 actuarial valuation report for the Toronto Fire Department Superannuation and Benefit Fund (Plan).

The COVID-19 pandemic has posed unprecedented challenges for plan sponsors, administrators and service providers. Pandemic response plans implemented by Buck, the City and the Financial Services Regulatory Authority (FSRA), including remote work arrangements, have resulted in some unavoidable delays and complications to standard operating practices.

In recognition of these challenges, the Ontario government filed O. Reg. 287/20 on June 18, 2020. This regulation amends Regulation 909 under the *Pension Benefits Act* (PBA) to provide deadline extensions for certain filings, including actuarial valuation reports. In addition, section 105 of the PBA allows plan administrators and their authorized agents to request a filing extension of up to 60 days beyond the timeline prescribed by the PBA and/or Regulation 909 (as amended by O. Reg. 287/20). As a result of these factors, the deadline to file the December 31, 2019 valuation report is December 31, 2020.

In addition to the disruptions caused by COVID-19, there are also new disclosure requirements that must be included in all actuarial valuations with effective date on and after March 1, 2019. These requirements, referred to as Plausible Adverse Scenarios (PAS), are mandated by the Canadian Institute of Actuaries (CIA).

While the CIA's PAS requirements are related to going concern actuarial valuations, FSRA issued guidelines on April 24, 2020 extending the PAS to solvency and wind up valuations. The regulator attributed the additional requirements to the CIA. On June 22, 2020, FSRA clarified their position by requesting the PAS on solvency and wind up valuations and other disclosures in addition to the PAS required by the CIA.

The June clarification prompted other questions that have been submitted to FSRA, relating to their expectations for the contents of actuarial valuation reports. We hope to receive confirmation from FSRA next week; only after such confirmation is received can we start finalizing our actuarial valuation templates. These new disclosures must meet FSRA's expectations to eliminate the risk of rejection of the actuarial valuation report.

Mr. Hatem Belhi
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We anticipate that we will receive final confirmation from FSRA in time to prepare and deliver the final December 31, 2019 valuation report by July 22.

Please keep in mind that the key information that will be included in the actuarial valuation report has been summarized and certified in our presentation dated May 26, 2020.

Sincerely,

A handwritten signature in black ink, appearing to read "Alfonse Souka", is centered on a light gray rectangular background.

Alfonse Souka, FSA, FCIA
Director and Consulting Actuary
Buck