



Teachers' Pension Board of Trustees

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May 4, 2012

James Rajotte, M.P.
Chair, Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, Ontario K1A 0A6

Re: Bill C-377 An Act to Amend the *Income Tax Act* (requirements for labour organizations)

Dear James Rajotte:

I am writing on behalf of the Teachers' Pension Board of Trustees to express our concerns about Bill C-377, an Act to amend the *Income Tax Act* (requirements for labour organizations). We are concerned that the definition of "labour trust" in the Bill could be interpreted to include the Teachers' Pension Plan and consequently impose an unintended obligation on the Plan to file a public information return with the Minister.

The Teachers' Pension Plan is a public sector, multi-employer plan with assets close to \$17 billion. The Plan is a joint trust established for the benefit of over 88,000 Plan members, the majority of whom are union members. The Teachers' Pension Board of Trustees (TPBT) is responsible for the administration of the Plan and the investment of the pension fund.

The definition of "labour trust" in Bill C-377 is a "trust... established or maintained in whole or in part for the benefit of [a labour organization's] members." We are concerned that, as drafted, this definition could be interpreted to include the Plan, and indeed any pension plans whose members include union members.

The obligation for a labour trust to file a detailed public information return, as required by Bill C-377, is not appropriate for pension plans, which are subject to extensive disclosure requirements under existing federal and provincial legislation. The Teachers' Pension Plan financial statements are audited, published in an Annual Report and filed with the Superintendent of Pensions, as required by the provincial *Pension Benefits Standards Act*. The additional disclosure required by Bill C-377, including disclosure of all transactions over \$5,000 along with the name and address of the payer and payee and the purpose and description of the transaction, would be administratively onerous on the TPBT and its investment agent, the British Columbia

Investment Management Corporation. Such disclosure would also entail breaches of confidentiality and non-disclosure agreements in respect of many of the Plan's investments.

We believe that the existing reporting requirements provide the appropriate disclosure and public transparency for pension. I therefore request that the Finance Committee consider amendments to ensure that pension plans are excluded from the provisions of Bill C-377.

Yours sincerely,



Joann Cain,
Chair
Teachers' Pension Board of Trustees

cc: Bruce Kennedy, Executive Director, TPBT
Susan Baptista, Secretary, TPBT
John Wilson, Chair, College Pension Board of Trustees
Richard Taylor, Chair, Municipal Pension Board of Trustees
Ron McEachern, Chair, Public Service Pension Board of Trustees
Doug Pearce, CEO, British Columbia Investment Management Corporation
Laura Nashman, CEO, British Columbia Pension Corporation