Manion Magazine

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MANION

We Care,
You Benefit.

Federal Government Releases Transitional Rules for Health & Welfare Trust Funds

On May 27, 2019 the Department of Finance Canada issued proposed legislative amendments to the Income Tax Act to facilitate the conversion of Health & Welfare Trusts to Employee Life Health Trusts together with amendments pertaining to the operation of existing Employee Life Health Trust rules. We are pleased to advise that as a result, the proposed legislation provides Health & Welfare Trusts with a transition process that is simple and without negative tax consequences. In addition, the Department of Finance granted relief from concerns raised for multi-employer Health & Welfare Trusts established through collective bargaining. Your **Manion** consultant and your auditor will address this development in more detail during your upcoming Trust Fund meetings.

Manion Claims Corner

NEW SERVICE! – Dental EFT

Providers can now receive direct deposit on behalf of **Manion** through the TELUS Health Service. Individual dental practitioners or clinics accepting assignment of benefits and registered with the ACDQ/CDAnet/DACnet/CDHA to submit EDI claims, can register on the TELUS site.

Manion will email the providers a notification of payment which will include a claim reference ID, the portal reference ID, the patient name, the date of service and the amount paid.

Providers can use this contact information:

TELUS HEALTH

http://registry.telushealth.co/?utm_campaign=eft-registration&utm_medium=redirect&utm_source=directdeposit-redirect

We will be adding an insert with the above information to any cheques generated for dentists. Similar to TELUS medical providers, you will now see banking information in the service provider table.

Manion Staff Corner

New Hires, Promotions & Retirements

Promotions:

- **Paul Van Rassel –** promoted to Team Lead effective April 1, 2019
- **Renata Szczypek –** promoted to Benefits Administrator effective April 22, 2019
- **Joseph Prillo** – promoted to Accounts Receivable Analyst effective April 29 22, 2019

Manion Pension Corner

FSRA Replaces FSCO Effective June 8, 2019

As a principle based, independent and self-funded regulator, the Financial Services Regulatory Authority of Ontario (FSRA) on June 8, 2019 officially started regulating financial services and pensions in Ontario, replacing the Financial Services Commission of Ontario (FSCO). FSRA's mandate is to be open to new ideas, new business and open to consumer needs, ensuring financial services are efficient, and responsive to consumer and business needs. FSRA has the flexibility to cut red tape, bring products to market quicker and a priority to reduce regulatory burden in the pension sector.

FSRA's objects, as defined in the FSRA Act, are to promote good administration of pension plans and to promote and safeguard the pension benefits and rights of pension plan beneficiaries.

The FSCO website will continue to be accessible online but they will no longer be updated. Going forward you will be accessing the FSRA website for all news, consultation and regulatory information at www.fsrao.ca. FSRA is in the process of conducting a thorough examination of existing guidance documents, data and filing requirements, and service standards to ensure that they are relevant, provide value, and support their mandate. FSRA's goal is to communicate in plain language and with clear expectations.

Until FSRA issues new regulatory direction, all existing guidance remains in effect. All forms, guidance, and FAQ will remain on the FSCO website for regulator continuity. As the burden reduction exercise is underway, new and updated guidance will be found on the FSRA website.

The Ministry of Finance will administer FSCO's Dispute Resolution Services until June 30, 2020. During the transition period, all open cases will continue, however no new proceedings will commence. As of July 1, 2020, any remaining cases will be extinguished, with parties able to start a new proceeding with the Licence Appeal Tribunal.

Defined Benefit Plans Solvency Ratio

The solvency position of Canadian defined benefit pension plans improved in the first quarter of 2019. The median solvency ratio of defined benefit pension plans was at 97 per cent on March 31st up from 95 per cent on December 31st. Almost 50 per cent of Canadian pension plans were fully funded at March 31st, up from the 30 per cent reported at the end of 2018.

The first quarter of 2019 saw double-digit equity market returns globally and a 30-basis point drop in the long-term interest rates, which increased liabilities and partially offset the asset gains.

With the political scandals, upcoming federal election, global trade tension and the impact of the Bank of Canada raising interest rates five times since 2017, there is lower investor confidence. Consumption spending has slowed, housing investments are down, and business spending has dropped. Given concerns about growing liabilities and market volatility, many plan sponsors will continue to be complacent and use the wait and see approach. However, it is prudent for plan sponsors to revisit investment strategies to ensure gains made in recent years are not eroded.