



Interior Lumbermen's Pension Plan

February 15, 2007

The Honourable Carole Taylor
Minister of Finance
Province of British Columbia
P.O. Box 9048, Stn. Provincial Govt.
Victoria, B.C. V8W 9E2

Dear Minister Taylor:

RE: Pension Plan Solvency Rules

I am writing on behalf of the Board of Trustees and the 2,500 other British Columbians who are members of the Interior Lumbermen's Pension Plan. We would like to join our voice with the many others who have a significant concern with the restrictions imposed on multi- employer pension plans by the Pension Benefits Standards Act of British Columbia (PBSA).

Solvency rules were devised as a means to protect the members of single employer pension plans in the event their employer was to go bankrupt at a time when there were insufficient funds in the plan to provide all the promised benefits. For a single employer plan these rules provide a significant protection to the employees.

However, in the case of plans where there are a large number of different employers (in our case about 170) involved the solvency rules serve no purpose. The bankruptcy of any single employer in a multi employer plan is inconsequential to the ongoing health of the plan.

In its' current form PBSA requires that all plans, regardless of the number of participating employers, must meet the solvency test. In doing so it is making multi-employer plans meet a standard that is completely irrelevant to them.

If a multi employer plan does not meet the standard it is faced with two, equally unpalatable, courses of action. It can either reduce member benefits, or approach the participating employers to increase their contributions to the plan. In other words, to



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fund a theoretical deficiency the plan has to impose real hardship on either the members or the employers, and in some cases, both.

These rules need to be changed, and other jurisdictions in Canada are in the process of doing just that. At the very least British Columbia needs to follow Alberta's lead and declare a moratorium on applying solvency rules to multi-employer pension plans.

This is an issue that involves hundreds of thousands of British Columbians, and we urge you to give it your immediate attention.

Yours Truly,
The Interior Lumbermen's Pension Plan

Earl Martin
Plan Administrator

340 - 1855 Kirschner Road, Kelowna, B.C. V1Y 4N7
Telephone: (250) 860-3738 or 1-800-668-9943 Fax: (250) 868-2977
E-Mail: emartin@iflra.com Website: www.ilbg.ca

----- Original Message -----

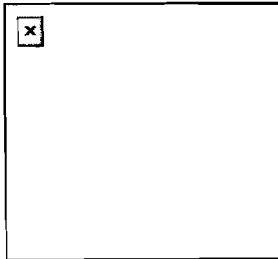
From: Earl Martin

To: 359PLANS@TELUS.NET

Sent: Thursday, February 15, 2007 2:02 PM

Subject: Solvency Rules

We received letters from Carl Ellsworth, addressed to the Trustees of our pension plan asking us to participate in lobbying efforts with the Minister of Finance to try and get changes made in the solvency rules as they apply to multi-employer plans. We are in complete agreement that the rules need to be changed and have sent the attached letter to the Minister. If any further actions are being contemplated please let me know, as we would like to participate in any other efforts designed to get the rules changed.



Earl Martin, Administrator

Interior Lumbermen's Pension and Health & Welfare Plans

Kelowna, B.C.

Phone: (250) 860-3738, or 1-800-668-9943