

Comments Document requested by the Chair of the London Session on June 18, 2003

BY: Robert J. Lesperance, Chair
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TO: Davin Hall, Policy Manager,
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Based on;
CAP Focus Group Session
London Session – Mixed June 18, 2003
University of Western Ontario, Stevenson-Lawson Building
Board Meeting Room, Room 330, Third Floor
1:00 p.m. – 3:30 p.m.
A total of 14 attendees

Chair = Nurez Jiwani
Policy Manager = Davin Hall

As an a participant, and I believe, the only one that represented only potential CAP members, I very much absorbed a great deal about why the proposed guidelines at this session were discussed and how they may affect Capital Accumulation Plans. It certainly appears that these plans are going to be a fact of life for more and more of the Sponsored pension plans in the future.

It was informative, fast moving with plenty of back and forth interaction among the participants. As a result of the comments I made on the documents I was sent prior to the session and given during the session I had a number of points/comments I wanted to make.

I was instructed to supply my comments/submission by email before August 31, 2003 to Davin Hall, Policy Manager, dahall@fSCO.gov.on.ca.

The following are my comments are on the supplied documents **and I will be looking for feedback.**
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Item 1.2 Point # 2

Q = How does the Sponsor know member knows for sure they have the information and assistance they need to make investment decisions?

S (suggestion) = Give member a list of tools available, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 1.2.1 second paragraph

Q = what is the purpose of the Plan, Terms of the Plan?

S (suggestion) = Give member a copy of Plan (outline) and terms of Plan (outline), have them read listing, initial or sign a copy of the document that will be retained in Sponsor's file and they are given a copy for their files.

Item 2.1.1. First paragraph

Q = How is the Plan audited to determine it is consistent with it's terms?

S (suggestion) = Inform members annually how Plan was audited.

Item 2.1.3 second paragraph

Q = How do members know when sponsor delegates responsibilities to a service provider, that the CAP sponsor ensures that the applicable roles and responsibilities of the CAP sponsor service provider are carefully documented?
S = Have copies of documented responsibilities in Sponsor's office and /or Website

Item 2.2.3 third paragraph

Q = How does member know if a limit number of transfers are allowed and if a cost of these and extra cost if more are requested by members?

S = Give members list, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 3.1.1 first paragraph

Q = How does sponsor provide investment information and decision-making tools to assist members in making investment decision in the plan.

S = Supply a list of investment related information to member, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 3.4.2 Point # 8

Q = How does members know that if any complaints are filed against the advisor or their firm and any disciplinary actions taken (if known)?

S = Sponsors indicates to member that due diligence was made and this information is available in Sponsors office or on their Website, A copy should be available to member upon request.

Item 3.4.3 second paragraph

Q = given a choice, members would want advisors that are appropriately registered or licensed to be used.

S = only use advisors that are appropriately registered or licensed to be used unless there is none available.

Item 3.5 first paragraph

Q = How does member find out the their cost for investment advice?

S = S = Give member a list of costs on methods of advice available, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 4.1.2 Point # 3

Q = How are members to know they are to do these things?

S = Give member a list of what they are responsible for, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 4.2.3 Point # 10

Q = How will members know their short term and long-term options when it is concerning cash?

S = Give member a list of options and procedures, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 4.3.2

Q = How will members know what fees are for which service?

S = Sponsor makes these fees available to member on listing before action, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 5.2.3

Q = How far in advance will members find out about significant changes in Investment options? How is a significant change defined?

S = Sponsor gives member a listing, have them read listing, initial or sign a copy of listing that will be retained in Sponsor's file and they are given a copy for their files.

Item 5.2.5 first paragraph

Q = Will member be informed why the option is removed and how far in advance will the sponsor notify the member?

S = each member should be notified of the change in writing, at a minimum those who are using the option should be notified in writing

Item 6.1.1

Q = How does member find out what criteria was used to select a service provider?

S = Supply service provider criteria to members

Item 6.2.1 second paragraph

Q = How do members find out the benchmarks being used to monitor Service providers by Sponsor of Plan?

S = Supply service provider monitoring benchmarks to it's members.

Section 7

Q = How much lead-time will members receive before changing the Purpose of a CAP?

S = Sponsor to notify plan members in writing of the change date in case they want to get out of the plan