

RET – Funding & Regulation Exam

Fall 2023 and Spring 2024

Important Exam Information:

[Exam Registration](#)

Candidates may register online or with an application.

[Order Study Notes](#)

Study notes are part of the required syllabus and are not available electronically but may be purchased through the online store.

Syllabus Readings

Readings listed in this syllabus may include study notes, online readings and textbooks. Candidates are responsible for all readings in their entirety, including sections such as Appendices, unless it is stated otherwise in the syllabus.

[Introductory Study Note](#)

The Introductory Study Note has a complete listing of all study notes as well as errata and other important information.

Case Study

A case study will not be provided for this examination.

[Past Exams](#)

Past Exams from 2000-present are available on SOA website.

[Updates](#)

Candidates should be sure to check the Updates page on the exam home page periodically for additional corrections or notices to the current syllabus.

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1. Topic: Valuation Data
Learning Objectives
The candidate will understand how to analyze data for quality and appropriateness.
Learning Outcomes
The Candidate will be able to: a) Identify data needed b) Assess data quality c) Make and/or recommend appropriate assumptions where data cannot be provided d) Comply with regulatory and professional standards pertaining to data quality
Resources
<ul style="list-style-type: none">• FR-149-21: Does Your Pension Data Need a Refresh• ASOP 23: Data Quality, Dec 2016• Experience Data Quality: How to Clean and Validate Your Data, SOA/LIMRA, 2011 (excluding introduction)• CIA Consolidated Standards of Practice, sections 1440, 1510 & 1530

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2. Topic: Assumptions
Learning Objectives
The candidate will understand how to analyze/synthesize the factors that go into selection of actuarial assumptions for funding purposes.
Learning Outcomes
The Candidate will be able to: <ul style="list-style-type: none">a) Describe and apply appropriate techniques used in the development of assumptions for funding purposesb) Evaluate and recommend appropriate assumptions for funding purposesc) Evaluate actual experience, including comparisons to assumptions
Resources
<ul style="list-style-type: none">• FR-125-17: Financial Services Commission of Ontario: Actuarial Guidance Note: Determination of the Solvency Liability Adjustment• FR-132-17: A Problem-Solving Approach to Pension Funding and Valuation, 2nd Ed., Ch. 5• FR-151-21: CAPSA Guidance Solvency or Hypothetical Wind-up Liabilities Based on Actual Life Insurance Company Annuity Quotation• ASOP 25: Credibility Procedures• ASOP 27: Selection of Economic Assumptions for Measuring Pension Obligations• ASOP 35: Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations• Determination of Best Estimate Discount Rates for Going Concern Funding Valuations, CIA Educational Note, Apr 2023• Selection of Mortality Assumptions for Pension Plan Actuarial Valuations, CIA Educational Note, Dec 2017• Expenses in Funding Valuations for Pension Plans, CIA Revised Educational Note, Sep 2014• Reflecting Increasing Maximum Pensions Under the Income Tax Act in Solvency, Hypothetical Wind-up and Wind-up Valuations, CIA Revised Educational Note, Jan 2015• Task Force Report on Mortality Improvement, CIA Final Report, Sep 2017• A Practical Approach to Establishing Margins for Adverse Deviations in Going Concern Funding Valuations, CIA Member Paper, Oct 2018• Guidance for Assumptions for Hypothetical Wind-Up and Solvency Valuations with Effective Dates on or after December 31, 2022, and no later than June 29, 2024, CIA Educational Note Supplement, Mar 2023

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3. Topic: Methods
Learning Objectives
The candidate will understand how to apply/synthesize the methods used to value pension benefits for various purposes.
Learning Outcomes
The Candidate will be able to: <ul style="list-style-type: none">a) Differentiate between the various purposes for valuing pension plans:<ul style="list-style-type: none">i. Fundingii. Solvencyiii. Termination/wind-upb) Perform periodic valuations of ongoing plans, calculating normal cost and actuarial liability, using a variety of cost methodsc) Analyze and communicate the pattern of cost recognition that arises under a variety of funding methodsd) Analyze and communicate the impact on cost stability of a variety of asset valuation methodse) Perform valuations for special purposes, including:<ul style="list-style-type: none">i. Plan termination/windup valuationsii. Hypothetical wind-up and solvency valuationsiii. Shared risk pension plan valuationsf) Calculate actuarially equivalent benefits
Resources
<ul style="list-style-type: none">• <i>Canadian Pensions and Retirement Income Planning</i>, Willis Towers Watson, 6th Edition, 2017<ul style="list-style-type: none">○ Ch. 15 (excluding Section 1525; material describing funding policies is background only)• <i>Morneau Shepell Handbook of Canadian Pension and Benefit Plans</i>, 17th Edition, 2020<ul style="list-style-type: none">○ Ch. 3○ Ch. 6 (excluding pp. 176-183)• <i>Pension Mathematics for Actuaries</i>, Anderson, Arthur W., 3rd Edition, 2006<ul style="list-style-type: none">○ Ch. 1○ Ch. 2○ Ch. 3○ Ch. 4○ Ch. 7• FR-108-13: Pension Funding Exercises (background only)

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- FR-133-17: Actuarial Equivalence Calculations
- [ASOP 4: Measuring Pension Obligations and Determining Pension Plan Costs or Contributions](#)
- [Guidance on Asset Valuation Methods](#), CIA Revised Educational Note, Sep 2014
- [Calculation of Incremental Cost on a Hypothetical Wind-Up or Solvency Basis](#), CIA Educational Note, Apr 2023
- [Asset Valuation Methods under ERISA](#), Pension Forum, Sep 2002, Ch. 1, 3, 4 and 5
- [Survey of Asset Valuation Methods for Defined Benefit Pension Plans](#), section 2 only
- [CIA Consolidated Standards of Practice](#), section 1400
- [CIA Consolidated Standards of Practice](#), sections 3100-3500
- [Section 3500 of the Practice-Specific Standards for Pension Plans – Pension Commuted Values \(Subsection 3570\)](#), CIA Educational Note, Aug 2020
- [CIA Section 3500 of the Practice-Specific Standards for Pension Plans – Pension Commuted Values \(other than Subsection 3570\)](#), CIA Educational Note, Aug 2020
- [Use of Models](#), CIA Educational Note, Jan 2017
- [Funding of Public Sector Pension Plans](#), Retirement 20/20 Papers, Jun 2018
- [A Practical Approach to Establishing Margins for Adverse Deviations in Going Concern Funding Valuations](#), CIA Member Paper, Oct 2018
- [Guidance on Selection and Disclosure of Plausible Adverse Scenarios](#), CIA Educational Note, Apr 2023

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4. Topic: Regulations - Principles and Rationale
Learning Objectives
The candidate will understand the principles and rationale behind regulation.
Learning Outcomes
The Candidate will be able to: a) Describe the principles and motivations behind pension legislation and regulation b) Describe sources and framework of government regulation
Resources
<ul style="list-style-type: none">• <i>Canadian Pensions and Retirement Income Planning</i>, Willis Towers Watson, 6th Edition, 2017<ul style="list-style-type: none">○ Ch. 1: Section 105○ Ch. 1: Section 110 (background only)○ Ch. 3• FR-139-18: OECD Core Principles of Private Pension Regulation (Parts I and II, pp. 11-75)• FR-145-20: CAPSA Recommendations - Funding of Benefits for Plans Other than Defined Contribution Plans• FR-146-20: FSRA - Pension Sector Guiding Principles

5. Topic: Regulations – Evaluation and Application

Learning Objectives

The candidate will understand how to evaluate and apply regulatory policies and restrictions for registered retirement plans.

Learning Outcomes

The Candidate will be able to describe and apply pension legislation and tax regulation pertaining to:

- a) Plan design
- b) Plan establishment
- c) Plan amendment
- d) Plan termination/windup
- e) Plan merger or spin-off
- f) Reporting requirements
- g) Members' rights
- h) Contributions and benefits
- i) Individual savings plans

Resources

- *Canadian Pensions and Retirement Income Planning*, Willis Towers Watson, 6th Edition, 2017
 - Ch. 2
 - Ch. 5-12
 - Ch. 14
 - Ch. 16-22
- *Morneau Shepell Handbook of Canadian Pension and Benefit Plans*, 17th Edition, 2020
 - Ch. 5 (background only)
 - Ch. 8
 - Ch. 9
 - Ch. 10
 - Ch. 11 (pp. 366-376)
 - Ch. 13 (pp. 402-410)
- FR-114-23: R.R.O. 1990, Reg 909: General Regulations under Ontario Pension Benefits Act (Legislation in this note pertaining to JSPP & MEPP and historical funding relief is background only)
- FR-115-23: R.S.O. 1990, Ch. P.8 under Ontario Pension Benefits Act (Legislation in this note pertaining to JSPP & MEPP and historical funding relief is background only)
- FR-123-23: Regulation 310/13 Asset Transfers under Ontario Pension Benefits Act

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- FR-129-16: Pension Asset Transfers made easier, Pension Benefits and Executive Compensation, February 2014
- FR-134-17: CIA Revised Educational Note: Transfer Values – Ontario Reporting Requirements
- FR-152-21: CAPSA – Adoption of the 2020 Agreement Respecting Multi-Jurisdictional Pension Plans
- FR-153-21: FSRA - Limitations on Commuted Value Transfers and Annuity Purchases (DB Pension Plans)
- FR-154-23: Regulation 193/18 Purchase of Pension Benefits from an Insurance Company under Ontario Pension Benefits Act
- [FSRA Guidance - Application by Employer for Payment of Surplus on Full Wind Up of a Pension Plan](#)
- [FSRA – Supervisory Approach to Defined Benefit Asset Transfers under the PBA](#)
- [FSRA – Questions and Answers on 2016 Agreement Respecting Multi-Jurisdictional Pension Plans](#)

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6. Topic: Funding
Learning Objectives
The candidate will understand how to apply the regulatory framework in the context of plan funding.
Learning Outcomes
The Candidate will be able to: <ul style="list-style-type: none">a) Evaluate retirement funding alternatives for the plan sponsor, shareholders, participants, and, for public pension plans, taxpayersb) Evaluate funding restrictions imposed by regulations
Resources
<ul style="list-style-type: none">• <i>Canadian Pensions and Retirement Income Planning</i>, Willis Towers Watson, 6th Edition, 2017<ul style="list-style-type: none">○ Ch. 15 (excluding Section 1525)• <i>Morneau Shepell Handbook of Canadian Pension and Benefit Plans</i>, 17th Edition, 2020<ul style="list-style-type: none">○ Ch. 6 (excluding pp. 176-183)○ Ch. 9○ Ch. 11 (pp. 366-376)○ Ch. 12○ Ch. 13 (pp. 402-410)• FR-114-23: R.R.O. 1990, Reg 909: General Regulations under Ontario Pension Benefits Act (Legislation in this note pertaining to JSPP & MEPP and historical funding relief is background only)• FR-115-23: R.S.O. 1990, Ch. P.8 under Ontario Pension Benefits Act (Legislation in this note pertaining to JSPP & MEPP and historical funding relief is background only)• FR-148-21: OSFI – Instruction Guide: Preparation of Actuarial Reports for Defined Benefit Pension Plans (sections 2.8 and 2.10 only)• Funding of Public Sector Pension Plans, Retirement 20/20 Papers, Jun 2018• FSRA – Supervisory Approach to Defined Benefit Asset Transfers under the PBA• A Mathematical Model for Assessing the Impacts of Policies Related to the Funding of Pension Plans, CIA Member Paper, Jul 2021

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7. Topic: Professionalism
Learning Objectives
The candidate will understand how to apply the standards of practice and related guidelines.
Learning Outcomes
The Candidate will be able to: <ul style="list-style-type: none">a) Apply the standards related to communications to plan sponsors and others with an interest in an actuary's results (i.e., participants, auditors, etc.)b) Demonstrate compliance with requirements regarding the actuary's responsibilities to the participants, plan sponsors, etc.c) Explain and apply all of the applicable standards of practice related to valuing pension benefitsd) Recognize situations and actions that violate or compromise standards
Resources
<ul style="list-style-type: none">• CIA Consolidated Standards of Practice, sections 1000-1700• CIA Consolidated Standards of Practice, sections 3100-3500• ASOP 4: Measuring Pension Obligations and Determining Pension Plan Costs or Contributions• ASOP 23: Data Quality• ASOP 25: Credibility Procedures• ASOP 27: Selection of Economic Assumptions for Measuring Pension Obligations• ASOP 35: Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations• Events Occurring After the Calculation Date of an Actuarial Opinion for a Pension Plan, CIA Revised Educational Note, Jan 2015