

*Pension Innovation for Canadians: The Target Benefit Plan*

Response to Consultation Paper

Submitted by Bell Aliant Inc., June 23, 2014

1. *Should TBPs be an option available to employers and employees of federally-regulated DB or DC plans?*

Yes. We are encouraged by the continued advancement of pension reform initiatives in Canada and we welcome design options that broaden the 'tool kit' currently available to plan sponsors and members of federally-regulated plans. We agree that a shared risk approach makes sense to promote the sustainability of defined benefit plans and we favour the elimination of a solvency valuation.

2. *Would you consider converting your federally-regulated DB or DC plan to a TBP plan if this option was available? Why or why not?*

We don't see an immediate use for a TBP in our existing plan structure. A large portion of our workforce, including new hires, is covered by a DC plan. We are content with the DC arrangement offered to our employees and are satisfied with our current governance processes. Our DC arrangement is appropriate for our business today given the intense cost and competitive pressures we face.

We do, however, see a potential use for a TBP in M&A situations where new groups of employees are being brought into the company under a different set of employee benefits, or perhaps if there was an opportunity through future contract negotiations to change the existing DB benefit model.