



IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990,
c. P.8, as amended (the “*PBA*”)

AND IN THE MATTER OF a Proposal of the Superintendent of Financial Services to Make an Order under section 87 of the *PBA* relating to the Boeing Toronto, Ltd. Non-Contributory Pension Plan for Hourly Employees of the National Automobile, Aerospace Transportation and General Workers Union of Canada (CAW-Canada) Local 1967, Registration Number 0210500

TO: **The Boeing Company**
7755 E. Marginal Way South MC11-57
Seattle WA 98108
U.S.A.

Attention: Scott Buchanan
Director Benefits Delivery

Employer & Administrator of the Plan

NOTICE OF PROPOSAL

I PROPOSE TO MAKE AN ORDER in respect of the Boeing Toronto, Ltd. Non-Contributory Pension Plan for Hourly Employees of the National Automobile, Aerospace Transportation and General Workers Union of Canada (CAW-Canada) Local 1967, Registration Number 0210500, (the “Plan”) under section 87 of the *PBA*, that credited service under the Plan be given to Mr. Oldrich Pelich from July 12, 2002, to August 1, 2005, at the rate of 40 hours for each complete calendar week during that period.

REASONS:

- 1) The Boeing Company (“Boeing”) is the employer and administrator for the Plan.
- 2) Mr. Oldrich Pelich (“Mr. Pelich”) is a former member of the Plan.

- 3) Mr. Pelich sustained a workplace injury and was awarded workers' compensation benefits in a decision dated August 15, 2008, by the Workplace Safety and Insurance Appeals Tribunal (Decision No. 1404/08) (the "Decision"). The Decision states that Mr. Pelich is entitled to full LOE (loss of employment) benefits from the date of his layoff from employment on or about July 12, 2002, up until the usual recovery period for his June 30, 2004, surgery.
- 4) Mr. Pelich did not recover from the surgery, and retired as at August 1, 2005.
- 5) The Decision has not been appealed or reviewed and is therefore final.
- 6) The Plan states in section 4(c)(ii) that:

Credited Future Service on and after the Effective Date of the Plan (December 1, 1965), and prior to his/her attainment of age sixty-five (65), shall be computed on the basis of the hours for which he/she receives pay from the Company as follows:

(c) An Employee shall be credited with forty (40) hours for each complete calendar week of absence:

(ii) for which Workers' Compensation Benefits are payable to him/her or due to parental/maternity leave as defined in the Ontario Employment Standards Act.

Accruals of Credited Service for leaves of absence commencing on and after January 1, 1992 under this Section 4c) shall be limited in respect of unpaid leaves (other than leaves of absence relating to paragraphs i) (when the Employee qualifies as a "loaned employee" as defined under the Income Tax Act), iii) and iv) of this Section 4c)) to a maximum of five (5) years plus one additional year in the case of each parental/maternity leave (as defined in the Income Tax Act), further subject to an overall maximum of eight (8) years.

- 7) Section 87 of the *PBA* states in part:

87(1) The Superintendent, in the circumstances mentioned in subsection (2) and subject to section 89 (hearing and appeal), by a written order may require an administrator or any other person to take or to refrain from taking any action in respect of a pension plan or a pension fund.

(2) The Superintendent may make an order under this section if the Superintendent is of the opinion, upon reasonable and probable grounds,

(a) that the pension plan or pension fund is not being administered in accordance with this Act, the regulations or the pension plan.

8) Boeing has not credited Mr. Pelich with service in the Plan for the period from July 12, 2002, to August 1, 2005, despite several requests by the Superintendent of Financial Services that Boeing comply with section 4(c)(ii) of the Plan in this regard. The Superintendent therefore has reasonable and probable grounds to be of the opinion that Boeing is not administering the pension plan or pension fund for the Plan in accordance with the Plan.

9) Such further and other reasons as may come to my attention.

YOU ARE ENTITLED TO A HEARING by the Financial Services Tribunal (the “Tribunal”) pursuant to section 89(6) of the *PBA*. **To request a hearing, you must deliver to the Tribunal a written notice that you require a hearing, within thirty (30) days after this Notice of Proposal is served on you.**¹

YOUR WRITTEN NOTICE must be delivered to:

Financial Services Tribunal
5160 Yonge Street
14th Floor
Toronto, Ontario
M2N 6L9

Attention: The Registrar

FOR FURTHER INFORMATION on a Form for the written notice, please see the Tribunal website at www.fstontario.ca or contact the Registrar of the Tribunal by phone at 416-590-7294, toll free at 1-800-668-0128, ext. 7294, or by fax at 416-226-7750.

IF YOU FAIL TO REQUEST A HEARING WITHIN THIRTY (30) DAYS, I MAY CARRY OUT THE PROPOSAL AS DESCRIBED IN THIS NOTICE.

DATED at Toronto, Ontario, this **25th** day of **August, 2010**

K. David Gordon
Deputy Superintendent, Pensions

¹ NOTE - Pursuant to section 112 of the PBA any Notice, Order or other document is sufficiently given, served or delivered if delivered personally or sent by regular mail and any document sent by regular mail shall be deemed to be given, served or delivered on the seventh day after the date of mailing.

Copy:

TO: The Boeing Company
100 North Riverside
Chicago IL 60606
U.S.A.

Attention: Bob Janetka
Benefits Compliance Department

AND TO: Mr. Oldrich Pelich
361 The West Mall
Apt. 401W
Toronto ON M9L 1E8

AND TO: Towers Watson
175 Bloor Street E.
South Tower, Suite 1701
Toronto ON M4W 3T6

Attention: Gavin Benjamin