



## VON RESTRUCTURING AND PENSION PLAN

May 20, 2016

**You are receiving this letter because you are a member of the Victorian Order of Nurses for Canada Pension Plan (the “Pension Plan”)**

### Background

The Victorian Order of Nurses is made up of five distinct corporate employers:

- Victorian Order of Nurses for Canada (**VON Canada**);
- Victorian Order of Nurses for Canada – Ontario Branch (**VON Ontario**);
- Victorian Order of Nurses for Canada – Nova Scotia Branch (**VON Nova Scotia**);
- Victorian Order of Nurses for Canada – Eastern Region (**VON East**); and
- Victorian Order of Nurses for Canada – Western Region (**VON West**).

On November 25, 2015, VON Canada, VON East and VON West filed for insolvency protection under the *Companies’ Creditors Arrangement Act (CCAA)*. VON Ontario and VON Nova Scotia remain outside of this insolvency proceeding. The operations of VON East and VON West were closed resulting in the immediate termination of employment of all of those entities’ employees. As well, the positions of some employees of VON Canada were terminated.

A key principle of the restructuring being undertaken by VON Canada, VON East and VON West is the separate treatment of the assets, liabilities and obligations of each of the Victorian Order of Nurses entities. VON Canada, VON East and VON West retain their own assets and are responsible for their own creditors. This key principle also applies to the Pension Plan.

The assets and liabilities of the VON East and VON West portions of the Pension Plan must be dealt with separately from the remaining assets and liabilities of the Pension Plan at this time as the employers responsible for these portions have ceased operations. This approach is consistent with the decision to restructure the Victorian Order of Nurses to ensure it can sustainably serve its clients and government partners in Ontario and Nova Scotia.

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Victorian Order of Nurses for Canada • National Office

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VON is accredited with Exemplary Standing by Accreditation Canada | VON Canada Charitable Registration # 129482493RR0001

### VON East and VON West Members

VON's Board of Directors has decided, in consultation with its restructuring advisors and legal counsel, to implement a partial wind up of the VON East and VON West portions of the Pension Plan.

This means that the share of the overall Pension Plan assets allocated to VON East and VON West would be separated from the Pension Plan, but would still be available to the former employees of VON East and VON West through an alternative mechanism.

It must be emphasized that, at the time of the proposed partial wind-up, assets would be allocated equitably between the Pension Plan members from each of VON East, VON West, VON Nova Scotia, VON Ontario and VON Canada based upon the obligations of each Victorian Order of Nurses entity under the Pension Plan. No Pension Plan members will receive more or less than their equitable share of the assets currently available in the Pension Plan.

At this time, the Pension Plan is in a solvency deficit position. The solvency deficit means that, if wound up, the funds in the Pension Plan are not sufficient to pay each member's full entitlement. As a result, when separating the Pension Plan assets allocated to the VON East and VON West members from the assets allocated to the other employers of the Victorian Order of Nurses, members from VON East and VON West will have their pension paid at a ratio that we anticipate to be less than 100%.

### VON Canada, VON Ontario and VON Nova Scotia Members

After removal of the VON East and VON West assets, the Pension Plan will continue with the remaining assets allocated to VON Nova Scotia, VON Ontario and VON Canada. Payments to the members from VON Canada, VON Ontario and VON Nova Scotia will continue in the ordinary course at this time as these portions of the Pension Plan are not being wound up.

### Court Approval

This approach requires the approval of the Court overseeing the CCAA proceedings. The process to obtain the approval of the Court is as follows:

- On May 27<sup>th</sup>, VON will seek to have the Court schedule a date for a hearing to approve the proposed approach to the Pension Plan;
- Materials to provide further information on this matter will be posted on the Monitor's website at <http://www.collinsbarrow.com/en/cbn/v-o-n>;
- The date set by the Court for the hearing to approve the proposed approach to the Pension Plan will also be posted on the Monitor's website once confirmed by the Court;
- Any interested party that wishes to take a position on this matter before the Court will be permitted to do so at the date set by the Court; and
- Following the hearing of this matter, it is expected that the Court will provide directions with respect to the next steps for the Pension Plan. This information will also be posted on the Monitor's website at <http://www.collinsbarrow.com/en/cbn/v-o-n>.



All unions representing employees of the VON entities will be informed of, and are welcome to participate in, the Court process.

If you wish to obtain publicly filed documents related to the pension proposal or information on the CCAA proceedings generally, please visit the Monitor's web site: <http://www.collinsbarrow.com/en/cbn/v-o-n>.

#### Next Steps

Following May 27<sup>th</sup> VON anticipates receiving confirmation of a Court date to seek approval of the proposed approach outlined above. At that time, a letter will be sent to you to inform you of the Court date and additional information on the Court process.

#### **FOR INFORMATION ON ADMINISTRATIVE PENSION MATTERS:**

VON Pension Administration  
1-866-677-7277

