

How Waterloo Regional Health Network leadership unified retirement benefits under the HOOPP to ensure equity across its workforce

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When Grand River Hospital and St. Mary's General Hospital merged in April 2025, leaders weren't just bringing together two sites and two cultures, they also had to merge two very different pension arrangements.

For years, Grand River had run its own defined benefit plan worth more than \$650 million, while St. Mary's employees had been part of the Healthcare of Ontario Pension Plan. The disparity created pressure: employees doing the same jobs, under the same unions and pay structures, were building different retirement futures.

"We realized we were going to have staff side by side but with entirely different pensions," says Ibrahim Toor, director of pensions at the Waterloo Regional Health Network. "Equity had to be our starting point."

Read: [How YBS Ottawa merged its pension plan with a bigger player](#)

By 2023, Grand River's board was also questioning whether managing a pension aligned with its mission. "The hospital isn't in the business of managing investments," he says. "We wanted to focus on delivering high-quality care to one of Ontario's fastest growing regions."

At the same time, employees were calling for access to the HOOPP's portability and stability, which were already available to their colleagues at St. Mary's.

Building consensus

In 2023, Toor was recruited with a mandate to find a long-term solution.

Working closely with chief financial officer Doug Murray, he reviewed de-risking options, consulted actuaries and regulators and engaged peer hospitals. The proposal to join the HOOPP was vetted by pension and finance committees, then taken to the board of directors.

"HOOPP is one of the strongest pension plans in Canada," says Toor. "It offers excellent benefits, very low cost to members and portability across the health-care system."

Read: [HOOPP reports 9.7% return in 2024, net assets increase to \\$123BN](#)

The design also appeals to employers, notes Jason Vary, president of Actuarial Solutions Inc. "HOOPP requires fixed, predictable contributions, which removes volatility for the sponsor. Employees value it because they get lifetime income. It's a win on both sides."

The transition to the HOOPP required agreement from five labour groups. The process involved extensive education and discussion, but ultimately produced unanimous support, says Toor.

On April 1, 2024, the same day the Waterloo Regional Health Network officially launched, accruals in the legacy DB plan were closed and all employees were enrolled in the HOOPP on a go-forward basis.

The most difficult piece was explaining why past service couldn't be transferred. "The cost of moving those liabilities was more than \$100 million," says Toor. "For a publicly funded hospital, that wasn't possible." Even so, employees responded positively. "The word they used most was equity. That told us we'd landed in the right place."

The path to fairness

The closure of a DB plan always raises questions of fairness, says Vary.

"On the way in, HOOPP requires employers to contribute 126 per cent of what employees contribute. That's a strong cost-sharing model. On the way out, longevity and retirement timing mean some members collect more than others. But the pooling of risk is the strength of a DB plan."

Strong governance remains essential, he adds. "Closing a plan doesn't eliminate responsibility. Employers need to manage legacy liabilities carefully and keep communication clear to maintain trust."

By the numbers

- **\$1.54 million** — Average amount Canadians believe they'll need to retire, down from **\$1.67 million** in 2023.
- **76%** — Share of Canadians worried they won't have enough money in retirement due to rising prices.
- **63%** — Percentage who say rising prices in the past year have limited their ability to save for retirement.

Source: *BMO Retirement Survey, February 2025*

The Waterloo Regional Health Network's investment governance gave the board confidence to manage the closed DB plan responsibly, says Toor, pointing to Toronto's Hospital for Sick Children's recent adoption of a similar model as validation. "Their decision showed us we made the right move."

Read: [SickKids employees joining HOOPP's DB pension plan](#)

Vary emphasizes that scale will continue to drive the trend. "In pensions, bigger is better. Large plans like HOOPP can spread administrative costs, manage risk more efficiently and deliver stronger investment outcomes. Portability across health care is also a major advantage for employees."

While a full merger with the HOOPP may be considered in the future, Toor stresses the immediate priority is stability and member support. "This was about aligning our people from day one. The strategy delivered equity and gave employees confidence in the new organization."