Human Resources Legislative Update

New Federal Pension Regulation Amendments Proposed

Date: May 8, 2010

On May, 8, 2010, the Federal government published proposed amendments to the Pension Benefits Standards Regulations, 1985.

The proposed amendments would:

- amend the funding rules to adopt a new standard for establishing minimum funding requirements on a solvency basis using average (rather than current) solvency ratios to determine minimum funding requirements;
- introduce a solvency margin precluding sponsors from taking contribution holidays unless the solvency ratio exceeds full funding plus the set margin of solvency liabilities (5%); and
- remove the 5%, 15%, and 25% quantitative investment limits in respect of resource and real property investments.