Human Resources Legislative Update

Federal Government Publishes Pooled Registered Pension Plan Regulations

Date: August 10, 2012

On August 10, 2012, the federal government published proposed regulations to support the *Pooled Registered Pension Plans Act* ("PRPP Act"). The Pooled Registered Pension Plan Regulations provide supporting details for the provisions of the PRPP Act respecting:

- the licensing conditions for a Pooled Registered Pension Plan ("PRPP") administrator;
- the management and investment of funds in members' accounts;
- details with respect to the investment options offered to members;
- criteria for determining whether a PRPP is a "low-cost" plan;
- conditions under which a PRPP member is allowed to set his or her contribution rate to 0%; and
- information that PRPP administrators must disclose to PRPP members, employers and the Superintendent of Financial Institutions.

The regulations will be published in the *Canada Gazette* on August 11, 2012. A 30-day public comment period begins August 11, 2012 in respect of these proposed regulations.

The federal government announced that a second package of regulations under the PRPP Act will follow at the earliest opportunity. Additional regulations are required for, amongst other things, provisions respecting the locking-in of a member's account, and the use of prescribed forms and electronic communications between PRPP administrators, members and/or employers. Changes to the *Income Tax Act* (Canada) are still required before PRPPs can be offered by employers.

An introduction to the PRPP framework can be found in our *FTR Now* of November 23, 2011, "Pooled Registered Pension Plan Framework Introduced."