Human Resources Legislative Update

New Solvency Funding Relief Regulations Filed

Date: November 6, 2012

On November 1, 2012, the Ontario government filed O. Reg. 329/12 and O. Reg 330/12, each of which amends Regulation 909 (General) made under the Pension Benefits Act.

Further to the government's Budget 2012, O. Reg 329/12 extends temporary solvency funding relief measures for private sector defined benefit pension plans, as first introduced in 2009 (for more on the 2009 initiatives, see our *FTR Now* of June 25, 2009, "Solvency Funding Relief is Here"). These measures apply to the first scheduled actuarial valuation report dated on or after September 30, 2011, and before September 30, 2014.

Among other matters, O. Reg. 329/12:

- provides an option to consolidate existing solvency special payments from previous actuarial valuations into a new five-year payment schedule;
- provides an option to amortize any new solvency deficiency over a period of up to ten years instead of the usual five years, as long as not more than one-third of eligible active, deferred and retired members object;
- describes the content and filing requirements for necessary certificates of consent, notices and progress reports for the five-year and ten-year options. These content and filing requirements are substantially similar to the requirements under the earlier 2009 solvency funding relief measures; and
- extends the filing deadline for actuarial valuation reports with effective dates between September 30, 2011, and before May 31, 2012, to February 28, 2013.

In addition to these temporary solvency relief measures, O. Reg. 329/12 also permanently provides pension plan sponsors with the option to defer, for up to one year, the start of new special payments. This deferral applies to both going concern special payments and solvency special payments.