Human Resources Legislative Update

PEI Introduces Pension Benefits Legislation

Date: December 3, 2012

On November 21, 2012, the Prince Edward Island government introduced Bill 12, *Pension Benefits Act*, in the legislature.

The government has stated that with the exception of a few minor changes, Bill 12 is the same as Bill 41, pension legislation that was introduced in May 2012 but which did not pass first reading. Prince Edward Island continues to be the only province without pension legislation in effect. If passed, Bill 12 will establish rules for pension plan administrators consistent with those in place in other Canadian jurisdictions and, among other matters, will:

- allow accrued pension benefits to vest immediately;
- introduce new provisions on spousal waivers and minimum death benefits;
- allow small benefit unlocking;
- specify member rights where that member works past the normal date of retirement;
- require enhanced member disclosures;
- eliminate partial wind ups;
- recognize jointly sponsored pension plans and target benefit pension plans;
- permit contribution holidays in prescribed circumstances;
- allow employers to use letters of credit to fund solvency deficiencies in prescribed circumstances; and
- permit asset transfers in prescribed circumstances.