Human Resources Legislative Update

Third Window for BPS Solvency Funding Relief Proposed

Date: December 6, 2012

On December 5, 2012, the Ontario government posted a regulatory proposal regarding amendments to O. Reg. 178/11 (Solvency Funding Relief for Certain Public Sector Pension Plans), made under the *Pension Benefits Act*. Comments on the proposal are due by January 20, 2013.

Under the proposal, the third and final window for solvency funding relief for eligible Broader Public Sector ("BPS") plans is now open and applications for Stage 1 relief must be filed by December 31, 2012. Regardless of the valuation date, the first valuation report filed with the Financial Services Commission of Ontario after December 31, 2012 will form the basis of Stage 1 relief. Eligible single employer plans which did not apply earlier for BPS solvency relief may apply now.

A regulatory extension of the filing deadline for pension plans with a valuation date on or after June 1, 2011 and before May 30, 2012 was previously enacted by O. Reg. 164/12. The new deadline is February 28, 2013.

As previously discussed in our *FTR Now* of February 11, 2011, "Solvency Funding Relief Details for Broader Public Sector Released by Ontario Government", BPS solvency funding relief provides BPS pension plans two stages of relief (in the form of a moratorium, followed by an extended funding period) during which the relevant stakeholders are given time to make changes to their pension plans to make the plans more sustainable (i.e. contribution increases, benefit reductions).