Human Resources Legislative Update

New Brunswick Introduces Bill to Amend *Pension Benefits Act*

Date: December 17, 2012

On December 11, 2012, Bill 20, *An Act to Amend the Pension Benefits Act*, received First Reading in the Legislative Assembly of New Brunswick. It received Second Reading on December 12, 2012.

If passed, Bill 20 will, among other things, amend the Pension Benefits Act ("Act") to make the following clarifications regarding shared risk pension plans ("SRPP"):

- changes the definition of "base benefit" and adds a definition of "vested base benefit";
- a pension plan can be amended for the purpose of converting the plan to a SRPP, which includes converting pension benefits to "base benefits", and reducing accrued or "vested benefits", as of the conversion date;
- expands the scope of protection against liability, where the specified standard of care is met, to actions taken under the entire Act and regulations regarding SRPPs and extends that protection to the officers, directors, employees or members of the prescribed parties; and
- adds a provision protecting against liability, where the specified standard of care is met, for claims of breach of contract or trust or a breach of any legal duty or obligation with respect to prescribed parties who have the right to amend a pension plan with respect to the conversion of a defined benefit plan to a SRPP.

Note: Bill 20 was passed and received Royal Assent on December 20, 2012. The Bill should be consulted for coming into force information.