Human Resources Legislative Update

Regulation under Section 80.1 of the *Pension Benefits Act* Proposed

Date: February 25, 2013

The Ontario government has proposed a new regulation relating to pension asset transfers made under section 80.1 of the Pension Benefits Act ("Act"). Proposed content for this regulation was previously posted for consultation in July 2011.

This regulation is required before section 80.1 of the Act comes into effect. Once proclaimed into force, that section will allow administrators of certain public sector plans to negotiate and enter into transfer agreements, authorizing eligible employees to elect an asset transfer in order to consolidate their accrued pension benefits. The need to transfer such assets arises from past government-initiated divestments and restructurings

Among other things, the draft regulation would prescribe:

- the pension plans to which the asset transfer regulation applies;
- the effective date of a transfer of assets under section 80.1;
- the requirements of a transfer agreement under section 80.1;
- the duties of the administrators of the original pension plan and the successor plan; and
- applicable notice and disclosure requirements, including notice requirements relating to an employee's right to elect to transfer assets.

Comments on the draft regulation are due by April 15, 2013.