

News

Court Clarifies Interpretation of Subsection 80(3) of the *Pension Benefits Act*

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The Ontario Divisional Court recently rendered a significant decision under the *Pension Benefits Act* ([Ontario Pension Board v. Ratansi](#)). It overturned a finding of the Financial Services Tribunal that subsection 80(3) of the *Pension Benefits Act* (“Act”) did not prevent a plan member from commencing his or her pension while continuing to work for the successor employer following a “sale of business” transaction, where the predecessor employer’s plan permitted the member to commence the pension.

The Court restored the interpretation found in earlier jurisprudence and confirmed that subsection 80(3) deems employment *and* pension plan membership to continue under a predecessor pension plan following a “sale of business” transaction. As a result of the Court’s decision, employees affected by subsection 80(3) continue to be required to terminate their employment with the successor employer in order to commence their pension.

For a more detailed discussion of this case, see our Case in Point blog post “[Divisional Court Confirms that Section 80\(3\) of the PBA Deems Employment to Continue Following Sale of Business.](#)”