Human Resources Legislative Update

Québec Publishes Private Sector Solvency Deficiency Draft Regulation for Comment

Date: July 16, 2013

On July 10, 2013, the Québec government published a draft regulation made under the Supplemental Pension Plans Act ("Act") entitled "Pension plans in the private sector – New relief measures for the funding of solvency deficiencies" ("Draft Regulation").

The Draft Regulation offers relief measures for the funding of deficiencies in private sector defined benefit plans registered in Québec in respect of actuarial valuations dated after December 30, 2013.

The Draft Regulation provides the following relief measures:

- the use of "assets smoothing" in the solvency valuation
- the elimination of the amortized payments related to solvency deficiencies determined in previous actuarial valuations
- the extension of the period of time over which solvency deficiencies can be funded to a maximum of 10 years.

These measures are similar to measures adopted in 2012 under the Act.

Comments on the Draft Regulation are invited within 45 days from the date of its publication, or before August 24, 2013.