

FTR Now

Alberta Extends Important Pension Reform Deadlines

Date: December 31, 2014

As we previously reported, [Alberta's new *Employment Pension Plans Act* \(the "EPPA"\) and the accompanying *Employment Pension Plans Regulation* \("EPPA Regulations"\)](#) came into force on September 1, 2014. The new EPPA and the EPPA Regulations completely overhauled the existing pension legislation in Alberta, requiring significant alterations to pension plan terms and administrative practices of pension plans registered in Alberta and pension plans registered elsewhere with members whose pension benefits are subject to Alberta pension legislation.

On December 18, 2014, the Alberta government implemented a number of amendments to the EPPA Regulations. For employer-sponsored plans, the most notable changes are extensions to several deadlines relating to the EPPA reforms. In this *FTR Now*, we highlight the most significant recent changes to the EPPA Regulations that will be of interest to sponsors and administrators of Alberta-registered plans and plans registered elsewhere with Alberta members.

DEADLINE FOR FILING PLAN AMENDMENTS EXTENDED TO JUNE 30, 2015

The EPPA Regulations originally specified that amendments to implement the EPPA reforms in respect of Alberta-registered plans must be adopted and filed by December 31, 2014. [As we previously reported](#), in November, the Alberta Superintendent of Pensions (the "Superintendent") announced that a plan sponsor could request and receive an extension of the deadline to March 31, 2015.

The EPPA Regulations have now been amended to extend the deadline to June 30, 2015. No request is required to take advantage of the extended deadline. Plans that have already requested the extension to March 31, 2015 are automatically granted the new extension to June 30, 2015 without making any further requests.

For Ontario-registered plans with Alberta members, the Financial Services Commission of Ontario ("FSCO") has not yet acknowledged the new extended deadline. However, in light of FSCO's previous adoption of the March 31, 2015 extension (without requiring plan sponsors to request the extension) and the fact that the new June 30, 2015 deadline is incorporated into the EPPA Regulations, it is reasonable to anticipate that amendments to Ontario-registered plans will also be due by June 30, 2015.

DEADLINE TO ESTABLISH PRESCRIBED DC DEFAULT FUNDS EXTENDED

The EPPA Regulations that came into effect on September 1, 2014 prescribe that where members are required to direct the investment of their individual defined contribution (“DC”) accounts, the default investment fund must be either a balanced fund or a portfolio of investments that takes the member’s age into account (typically referred to as a “target date fund”). Compliance with this requirement was originally required by December 31, 2014.

In response to stakeholder feedback, the deadline for implementation of the prescribed default investment fund for Alberta members has been extended to June 30, 2015. In addition, the EPPA Regulations now clarify that contributions made prior to September 1, 2014 that were deposited in the then existing default fund that is not a prescribed default fund may remain in that fund and need not be transferred into the prescribed default fund once such fund is established. The Superintendent has also stated that contributions made to a default fund after September 1, 2014 but prior to a new prescribed default fund being established on or before June 30, 2015 may continue to be remitted to the existing default fund and need not be transferred to the new prescribed default fund once it is established.

DEADLINE FOR SUBMISSION OF SUMMARY OF CONTRIBUTIONS EXTENDED

The EPPA Regulations introduced a new requirement for Alberta-registered plan administrators to provide a “summary of contributions” to the plan’s fundholder within 30 days of the EPPA Regulations coming into force (i.e. September 30, 2014). The EPPA Regulations have been amended to extend the deadline for submission of the first summary of contributions to 150 days after the EPPA Regulations came into force. The new deadline is January 31, 2015.

WRITTEN COMPLIANCE ASSESSMENTS REQUIRED TRIENNIALLY

Another significant change for plans registered in Alberta was the new requirement to prepare regular written compliance assessments, including issues such as:

- whether the plan meets the requirements of the EPPA;
- whether the plan is being administered in accordance with the plan text, governance, funding and investment policies; and
- the performance of the staff involved in plan administration.

These assessments must be kept in the administrator’s files and be available for review by the Superintendent, on request. The first assessment is not required to be completed until the second plan year after the new EPPA came into effect (e.g. if a plan’s fiscal year is the calendar year, the

first assessment must be performed by December 31, 2016). Originally, the EPPA Regulations mandated that subsequent assessments were to be performed annually. In response to stakeholder feedback, the EPPA Regulations have been amended to require subsequent assessments be performed every three years.

CONCLUDING COMMENTS

These changes to the EPPA Regulations will provide welcome relief to employers and plan administrators required to implement changes as a result of the new EPPA. Please contact any member of our [Pension, Benefits & Executive Compensation Group](#) if you have any questions or would like more information about the impact of these recent changes to the EPPA Regulations.

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