

Human Resources Legislative Update

Draft Regulations Governing Transfers and Conversions to JSPPs under Sections 80.4 and 81.0.1 of *Pension Benefits Act* Published

Date: July 2, 2015

On June 26, 2015, the Ontario government [published draft regulations](#) (the “Draft Regulations”) setting out the proposed rules governing the merger or conversion of single employer pension plans (“SEPPs”) to jointly sponsored pension plans (“JSPPs”) in the broader public sector (“BPS”). The draft regulations will support sections 80.4 and 81.0.1 of the *Pension Benefits Act* (“PBA”), which established a legislative framework permitting SEPPs in the BPS to be converted into JSPPs or merged into existing JSPPs if specific conditions are satisfied.

On January 20, 2015, the government [posted a description of the content of the proposed regulations](#) to the Regulatory Registry for stakeholder comment and the government indicates that it received substantial feedback from stakeholders. The Draft Regulations set out the details regarding the following elements of the new regime:

- Notice requirements for members, former members, retired members and other persons entitled to benefits from the SEPP and any applicable trade unions;
- Consent and objection thresholds that must be satisfied in order to permit the SEPP employer to proceed with the merger or conversion, as applicable;
- Requirements for the application to the Superintendent of Financial Services;
- The timeframes and deadlines for all required notices, applications and reports to be completed; and
- Financial requirements relating to the impact of the transfer or conversion of the benefits of affected members, former members, retired members and other persons entitled to benefits from the SEPP and funding requirements of the JSPP after the transfer or conversion as applicable.

The government is seeking further feedback from interested stakeholders on the Draft Regulations. Comments may be made to the Ministry of Finance by August 10, 2015.