

Human Resources Legislative Update

Finalized Regulations Extend Temporary Solvency Funding Relief in Ontario

Date: June 7, 2016

[Effective July 1, 2016](#), amendments to Regulation 909 [first proposed on May 6, 2016](#) will extend the current temporary solvency funding relief measures available to private sector employers for an additional three years.

As we previously reported, for most single employer DB plans, this round of solvency funding relief is available in relation to the first filed valuation report with a valuation date between December 31, 2015 and December 30, 2018, regardless of whether the employer took advantage of prior rounds of solvency funding relief in 2009 and 2012.

Among other things, the amendments outlined in [O. Reg. 161/16 \(General\)](#) will permit employers to:

- consolidate their existing solvency payments into a new five-year payment schedule, and/or
- with prescribed consent of plan beneficiaries, extend the solvency payment schedule to a maximum of ten years for any new solvency deficiency, a five-year extension to the regular five-year amortization schedule.

If either option is elected and benefit enhancements are granted, the enhancements must generally be funded over a five-year amortization period.

Background information on the regulations and about the ongoing review of the solvency funding framework is available in our *FTR Now*, [Ontario Pension Solvency Funding Framework Under Review](#).