

Human Resources Legislative Update

Ontario PRPP Legislation Now in Force

Date: November 8, 2016

On November 8, 2016, the Ontario *Pooled Registered Pension Plans Act* (Act) came into force.

[As we previously reported](#), pooled registered pension plans (PRPPs) are a relatively new type of savings plan, operating much like a defined contribution pension plan that holds assets pooled together from multiple participating employers and employees. PRPPs are administered by eligible licensed financial institutions, such as insurance companies and banks. The Act permits the establishment and provides for the administration of PRPPs in Ontario largely by adopting federal PRPP legislation, adapted to the Ontario context. Similar legislation has already been passed in several other provinces.

The Act is supported by [O. Reg. 359/16](#) (PRPP Regulations) which also came into force on November 8, 2016. The PRPP Regulations set out the requisite detailed provisions which render the framework established by the Act functional. The PRPP Regulations largely incorporate by reference the federal PRPP regulations which had provided for such matters as:

- the conditions required to be met for a regulator to issue a licence
- provisions respecting investment options
- the prohibition on inducements with limited exceptions
- the definition of a low-cost plan
- disclosure requirements.

Certain Ontario-specific provisions have been included in the PRPP Regulations addressing such matters as the transfer of PRPP funds to permitted investment vehicles, the treatment of accounts on relationship breakdown and the content of forms used for the withdrawal of funds.

While the Act and PRPP Regulations are now in force, they are not yet operational. Ontario previously indicated that it intends to sign onto the federal Multilateral Agreement Respecting Pooled Registered Pension Plans and Voluntary Retirement Savings Plan Agreement, under which responsibility for the regulation of PRPPs registered under the Ontario legislation will be delegated to the federal Superintendent of Financial Institutions.