

Human Resources Legislative Update

??Ontario Proposes Significant Overhaul of Pension Regulatory Framework

Date: November 17, 2016

On November 16, 2016, the Ontario government introduced [Bill 70, *Building Ontario Up for Everyone Act \(Budget Measures\), 2016*](#), omnibus legislation that would, among other things:

- enact the *Financial Services Regulatory Authority of Ontario Act, 2016* to establish a new framework for the creation of the Financial Services Regulatory Authority of Ontario (FSRA), replacing both the Financial Services Commission of Ontario (FSCO) and the Deposit Insurance Corporation of Ontario (DICO), and specifically:
 - providing for the transition of information between FSCO, DICO and the FSRA
 - providing for the appointment of a board of at least three and not more than 11 directors by the Lieutenant Governor in Council, on the recommendation of the Minister of Finance
 - providing the board with authority to, subject to Minister approval, make by-laws governing administrative, managerial and procedural matters
- amend the *Pension Benefits Act (PBA)*, in part to:
 - extend certain portability options to a retired member who is entitled to begin to receive a pension by virtue of having reached the normal retirement date under the pension plan but who has not yet elected to receive the pension, if the pension plan permits
 - require approval of the Superintendent of Financial Services (Superintendent) before an administrator appointed under the PBA may purchase life annuities in connection with the wind up of a pension plan
 - permit regulations exempting employers and successor employers from the requirement to pay certain amounts into a pension fund under where a pension plan is wound up, in prescribed circumstances
 - provide the Superintendent with the authority to impose significant administrative penalties for contravening or failing to comply with the PBA or its regulations of up to \$25,000 (a lesser penalty, of up to \$10,000, would apply to an individual)
 - permit regulations governing administrative penalties imposed under the PBA, and with respect to the timing and manner of allocating amounts from the Pension Benefits Guarantee Fund and paying those amounts to pension plans
- repeal the Ontario Retirement Pension Plan legislation and dissolve the Ontario Retirement Pension Plan Administration Corporation, among other things.

We are in the process of reviewing Bill 70 and a more detailed analysis of these proposed reforms and their potential impact on pension plan administrators, sponsors and employers will be published on our website.

Background reading on these reforms is available in the [government's press release](#) and document, [Strengthening Retirement Security for Ontarians](#) released on November 14, 2016.