

Human Resources Legislative Update

Ontario Amends PBA and PRPP Regulations; Introduces Legislation Affecting Police Sector Asset Transfers

Date: November 10, 2017

Annuity Purchases on Wind Up

On November 3, 2017, [O. Reg. 412/17](#), amending Regulation 909 (General) made under the *Pension Benefits Act* (PBA), was filed.

As discussed in our *FTR Now*, [Ontario's Bill 70: The New Face of Pension Regulation Revealed](#), amendments will be made to the PBA requiring administrators appointed by the Superintendent of Financial Services (Superintendent) to obtain the Superintendent's approval prior to purchasing annuities on wind up of a pension plan. These circumstances typically arise in insolvencies.

O. Reg. 412/17 will permit the Superintendent to defer the giving of such approval in respect of some or all of the annuities to be purchased if the Superintendent is of the opinion that the annuity purchase would adversely affect the financial position of the Pension Benefits Guarantee Fund (PBGF). The PBGF is the provincial insurance fund that provides some coverage for pension benefits that are reduced when a pension plan is wound up when the employer is insolvent.

O. Reg. 412/17 provides:

- that the Superintendent has the ability to defer approving the purchase of such annuities for up to ten years following the approval of the plan's wind up report;
- corresponding changes to the deadline for payments to members affected by the deferral; and
- that the Superintendent may determine the timing and manner of allocating and paying amounts from the PBGF to a plan which is underfunded on wind up (such that payments from the PBGF may occur in instalments).

These amendments come into force on January 1, 2018, along with the coming into force of the applicable provisions of the PBA.

Pooled Registered Pension Plans

On November 3, 2017, [O. Reg. 413/17](#), amending O. Reg. 359/16 (General) under the *Pooled Registered Pension Plans Act, 2015* (PRPP), was filed. It adds a provision to O. Reg. 359/16 to recognize amendments made to the Multilateral Agreement Respecting Pooled Registered Pension Plans and Voluntary Retirement Savings Plans (Agreement), and adds Manitoba to the list of jurisdictions to which the Agreement applies.

The Agreement coordinates the regulatory oversight of PRPPs among signatory jurisdictions. O. Reg. 413/17 comes into force on November 15, 2017.

Asset Transfers in the Police Sector

On November 2, 2017, the Ontario government introduced [Bill 175, Safer Ontario Act, 2017](#) which, if passed, will enact the *Police Services Act, 2017*. The Bill sets out rules that apply to asset transfers between the Public Service Pension Plan and the Ontario Municipal Employees Retirement System, and excludes such asset transfers from the application of certain provisions of the PBA.