Human Resources Legislative Update

Ontario Temporarily Reduces Financial Penalties for Late PBGF Assessments

Date: May 5, 2020

On April 30, 2020, the Ontario government filed Ontario Regulation 187/20 amending Regulation 909 made under the *Pension Benefits Act*.

This amendment allows for significantly reduced financial penalties for late payment of a Pension Benefits Guarantee Fund (PBGF) assessment. Normally, an employer who fails to pay a PBGF assessment by the assessment date must pay 120% of the amount owing, plus interest on the 120%. The amendment provides that for a late annual assessment due on or after April 30, 2020 and before December 31, 2020, only interest calculated from the date the amount is due to the date of payment at a rate equal to 3% plus the chartered banks' rate on prime business loans as of the date the amount is due will be applied, instead of the 20% penalty plus interest. This provision, which is offered as temporary relief in light of the COVID-19 pandemic, only applies if the employer pays the amount with interest to the PBGF on or before December 31, 2020.