

Caution:

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, the comments received during consultation will be considered during the final preparation of the regulation. The content, structure, form and wording of the consultation draft are subject to change as a result of the consultation process and as a result of review, editing and correction by the Office of Legislative Counsel.

CONSULTATION DRAFT

ONTARIO REGULATION

to be made under the

PENSION BENEFITS ACT

Amending Reg. 909 of R.R.O. 1990

(GENERAL)

1. The definition of “special payment” in subsection 1 (1) of the Regulation is amended by adding “or section 12 of the Target Benefits Regulation” at the end.

2. Section 6.3 of the Regulation is amended by adding the following paragraph:

4. A pension plan that provides target benefits.

3. Subsection 19 (1.0.1) of the Regulation is revoked.

4. (1) Subsection 24 (3) of the Regulation is amended by adding “or target benefits” at the end of the portion before paragraph 1.

(2) Paragraph 3 of subsection 24 (3) of the Regulation is amended by striking out “Rate: The interest” at the beginning and substituting “Defined Benefit Rate: For a plan that provides defined benefits, the interest”.

(3) Subsection 24 (3) of the Regulation is amended by adding the following paragraph:

3.1 Target Benefit Rate: For a plan that provides target benefits, the interest on contributions, other than additional voluntary contributions, must be calculated at a rate that is not less than the lesser of the bank deposit rate and the fund rate of return and that is not greater than the fund rate of return.

(4) Section 24 of the Regulation is amended by adding the following subsection:

(4.1) For a pension plan that provides both defined contribution benefits and target benefits, the contributions must be credited with the interest described in subsection (2) or (3), whichever is appropriate in the circumstances.¹

¹ FLS: see s. 24 (4) of Reg 909