

Disclaimer:

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.

ONTARIO REGULATION TO BE MADE UNDER THE

PENSION BENEFITS ACT:

A CONSULTATION DRAFT

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

(GENERAL)

1. (1) Regulation 909 of the Revised Regulations of Ontario, 1990 is amended by adding the following section:

BIENNIAL STATEMENT — FORMER MEMBERS

40.1 (1) A statement to a former member required under subsection 27 (2) of the Act shall contain, as recorded in the records of the administrator, at least,

- (a) the name of the pension plan and its provincial registration number;
- (b) the former member's name and date of birth;
- (c) the period covered by the statement;
- (d) the former member's normal retirement date under the plan and the annual amount of pension benefit payable at that date;

- (e) where applicable, the earliest date the former member will be eligible to receive an unreduced pension;
- (f) where applicable, the name of the person recorded as the former member's spouse;
- (g) any person designated by the former member as a beneficiary for the purposes of the pre-retirement death benefit under section 48 of the Act;
- (h) a description of any benefits provided on the death of a former member other than those required under section 44 or 48 of the Act and the name of any person designated as a beneficiary;
- (i) any indexation provisions applicable to the deferred pension;
- (j) any bridging benefit or special allowance and the date on which the benefit ceases to be paid;
- (k) where applicable, the formula by which the deferred pension will be integrated with a pension payable under the *Canada Pension Plan*, *Quebec Pension Plan* or the *Old Age Security Act* (Canada) and the reduction or increase to the deferred pension as a result of such entitlement;
- (l) in the case of a plan providing defined contribution benefits, an estimate of the accumulated amount of contributions, including interest credited to such contributions, allocated to the former member, to the end of the period covered by the statement;
- (m) in the case of a defined benefit plan,
 - (i) the transfer ratio of the pension plan as of the valuation date of each of the two reports filed most recently under sections 13 and 14, and
 - (ii) an explanation of the transfer ratio and how it relates to the level of funding of former members' benefits;

- (n) where applicable, a statement that special payments are being made to liquidate any liability;
- (o) a statement setting out the treatment of any surplus in a continuing plan and on wind up;
- (p) an explanation of any amendments affecting the former member made to the pension plan during the period covered by the statement, if an explanation has not been provided under subsection 39 (1);
- (q) for multi-employer pension plans and pension plans that provide defined benefits where the obligation of an employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement,
 - (i) a statement that the pension benefits established under the pension plan are not guaranteed by the Guarantee Fund,
 - (ii) a statement that if, on wind up of the plan, the assets of the plan are not sufficient to meet the liabilities of the plan, pension benefits may be reduced, and
 - (iii) a statement that if the fixed contribution amounts are not sufficient to provide the benefits under the plan, the pension benefits or pension may be reduced; and
- (r) for a pension plan that is a jointly sponsored pension plan and that, in a report filed under section 3, 13 or 14, has specified a solvency deficiency that is lower than the amount of the solvency deficiency that would be calculated for the pension plan under subsection 1.3.1 (2),
 - (i) a statement that the pension benefits established under the pension plan are not guaranteed by the Guarantee Fund,
 - (ii) a statement that, on wind up of the pension plan, the Act allows pension benefits to be reduced if assets of the plan are not sufficient to meet the liabilities of the plan, and

- (iii) if the most recent report filed under section 3, 13 or 14 for the pension plan has specified a solvency deficiency that is lower than would be calculated under subsection 1.3.1 (2), a statement that additional contributions are not being made by an employer (or a person or entity required to make contributions on behalf of an employer) or by members to eliminate the solvency funding shortfall determined in the most recently filed report.

(2) The administrator of a pension plan that is registered on or before January 1, 2015 shall provide the statement required under subsection 27 (2) of the Act to former members in accordance with the following rules:

1. The administrator must provide the first statement no later than July 1, 2017.
2. The administrator must provide a subsequent statement within every two-year period that begins on the day the previous statement was provided, but each statement must be provided within six months after the plan's fiscal year end.

(3) The administrator of a pension plan that is registered after January 1, 2015 shall provide the statement required under subsection 27 (2) of the Act to former members in accordance with the following rules:

1. The administrator must provide the first statement within six months after the end of the plan's first fiscal year end.
2. The administrator must provide a subsequent statement within every two-year period that begins on the day the previous statement was provided, but each statement must be provided within six months after the plan's fiscal year end.

(2) Subsection 40.1 (1) of the Regulation, as made by subsection (1), is amended by striking out “and” at the end of subclause (q) (iii) and by adding the following clauses:

- (s) a statement that the administrator of the pension plan must establish a statement of investment policies and procedures for the plan that contains the investment policies and procedures in respect of the plan's portfolio of investments and loans, including information about whether environmental, social and governance factors are incorporated into the plan's investment policies and procedures and, if so, how those factors are incorporated;

- (t) a statement that the administrator of the pension plan is required, under section 29 of the Act,
 - (i) to make available to the former member for inspection without charge copies of any statements of investment policies and procedures that are established for the plan, and
 - (ii) upon receipt of a written request and payment of the applicable fee, to provide by mail or electronically copies of any statements of investment policies and procedures that are established for the plan; and
- (u) a statement that the former member is entitled, under section 30 of the Act,
 - (i) to inspect at the office of the Superintendent during business hours of that office the most recent statement of investment policies and procedures that is established for the plan, and
 - (ii) to make a written request and pay the applicable fee for the Superintendent to provide the most recent statement of investment policies and procedures by mail or electronically.

2. (1) The Regulation is amended by adding the following section:

BIENNIAL STATEMENT — RETIRED MEMBERS

40.2 (1) A statement to a retired member required under subsection 27 (2) of the Act shall contain, as recorded in the records of the administrator, at least,

- (a) the name of the pension plan and its provincial registration number;
- (b) the retired member's name and date of birth;
- (c) the period covered by the statement;
- (d) the date that the payment of the first instalment of the pension was due to the retired member;

- (e) where applicable, the form of pension elected by the retired member at retirement;
- (f) the annual amount of pension benefit payable to the retired member;
- (g) where applicable, the name of the person recorded as the retired member's spouse for the purposes of subsection 44 (1) of the Act;
- (h) a description of any benefits provided on the death of a retired member other than those required under section 44 of the Act and the name of any person designated as a beneficiary;
- (i) any indexation provisions applicable to the pension benefit;
- (j) any bridging benefit or special allowance and the date on which the benefit ceases to be paid;
- (k) where applicable, the formula by which the pension will be integrated with a pension payable under the *Canada Pension Plan*, *Quebec Pension Plan* or the *Old Age Security Act* (Canada) and the reduction or increase to the pension as a result of such entitlement;
- (l) in the case of a defined benefit plan,
 - (i) the transfer ratio of the pension plan as of the valuation date of each of the two reports filed most recently under sections 13 and 14, and
 - (ii) an explanation of the transfer ratio and how it relates to the level of funding of retired members' benefits;
- (m) where applicable, a statement that special payments are being made to liquidate any liability;
- (n) a statement setting out the treatment of any surplus in a continuing plan and on wind up;

- (o) an explanation of any amendments affecting the retired member made to the pension plan during the period covered by the statement, if an explanation has not been provided under subsection 39 (1);

- (p) for multi-employer pension plans and pension plans that provide defined benefits where the obligation of an employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement,
 - (i) a statement that the pension benefits established under the pension plan are not guaranteed by the Guarantee Fund,

 - (ii) a statement that if, on wind up of the plan, the assets of the plan are not sufficient to meet the liabilities of the plan, pension benefits may be reduced, and

 - (iii) a statement that if the fixed contribution amounts are not sufficient to provide the benefits under the plan, the pension benefits or pension may be reduced; and

- (q) for a pension plan that is a jointly sponsored pension plan and that, in a report filed under section 3, 13 or 14, has specified a solvency deficiency that is lower than the amount of the solvency deficiency that would be calculated for the pension plan under subsection 1.3.1 (2),
 - (i) a statement that the pension benefits established under the pension plan are not guaranteed by the Guarantee Fund,

 - (ii) a statement that, on wind up of the pension plan, the Act allows pension benefits to be reduced if assets of the plan are not sufficient to meet the liabilities of the plan, and

 - (iii) if the most recent report filed under section 3, 13 or 14 for the pension plan has specified a solvency deficiency that is lower than would be calculated under subsection 1.3.1 (2), a statement that additional contributions are not being made by an employer (or a person or entity required to make contributions on behalf of an employer) or by members to eliminate the solvency funding shortfall determined in the most recently filed report.

(2) The administrator of a pension plan that is registered on or before January 1, 2015 shall provide the statement required under subsection 27 (2) of the Act to retired members in accordance with the following rules:

1. The administrator must provide the first statement no later than July 1, 2017.
2. The administrator must provide a subsequent statement within every two-year period that begins on the day the previous statement was provided, but each statement must be provided within six months after the plan's fiscal year end.

(3) The administrator of a pension plan that is registered after January 1, 2015 shall provide the statement required under subsection 27 (2) of the Act to retired members in accordance with the following rules:

1. The administrator must provide the first statement within six months after the end of the plan's first fiscal year end.
2. The administrator must provide a subsequent statement within every two-year period that begins on the day the previous statement was provided, but each statement must be provided within six months after the plan's fiscal year end.

(2) Subsection 40.2 (1) of the Regulation, as made by subsection (1), is amended by striking out “and” at the end of subclause (p) (iii) and by adding the following clauses:

- (r) a statement that the administrator of the pension plan must establish a statement of investment policies and procedures for the plan that contains the investment policies and procedures in respect of the plan's portfolio of investments and loans, including information about whether environmental, social and governance factors are incorporated into the plan's investment policies and procedures and, if so, how those factors are incorporated;
- (s) a statement that the administrator of the pension plan is required, under section 29 of the Act,
 - (i) to make available to the retired member for inspection without charge copies of any statements of investment policies and procedures that are established for the plan, and

- (ii) upon receipt of a written request and payment of the applicable fee, to provide by mail or electronically copies of any statements of investment policies and procedures that are established for the plan; and
- (t) a statement that the retired member is entitled, under section 30 of the Act,
- (i) to inspect at the office of the Superintendent during business hours of that office the most recent statement of investment policies and procedures that is established for the plan, and
 - (ii) to make a written request and pay the applicable fee for the Superintendent to provide the most recent statement of investment policies and procedures by mail or electronically.

Commencement

3. [commencement]