



Français

Pension Benefits Act

R.R.O. 1990, REGULATION 909

GENERAL

Consolidation Period: From March 1, 2022 to the e-Laws currency date.

Last amendment: 126/22.

Legislative History: [+]

This is the English version of a bilingual regulation.

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**PART I
INTERPRETATION**

Interpretation**1. (1) In this Regulation,**

“accountant” means a public accountant licensed under the *Public Accounting Act, 2004*; (“comptable”)

“designated plan” means a pension plan that is a designated plan for the purposes of the *Income Tax Act (Canada)*; (“régime désigné”)

“eligible contribution” means a payment made by an employer to a pension fund or an insurance company, as applicable, in respect of a pension plan, that qualifies as an eligible contribution for the purposes of the *Income Tax Act (Canada)*; (“cotisation admissible”)

“family law valuation date” has the same meaning as in subsection 67.1 (1) of the Act; (“date d’évaluation en droit de la famille”)

“government” means Her Majesty in right of Ontario, an agent of Her Majesty, a municipality as defined in the *Municipal Affairs Act* and a regional municipality as defined in the *Ontario Unconditional Grants Act*; (“gouvernement”)

“individual pension plan” means a pension plan that is an individual pension plan for the purposes of the *Income Tax Act (Canada)*; (“régime de retraite individuel”)

“life income fund” means an RRIF that meets the requirements of either Schedule 1 or Schedule 1.1; (“fonds de revenu viager”)

“life income fund that is governed by this Schedule” means an RRIF that meets the requirements of Schedule 1 or Schedule 1.1, as the case may be; (“fonds de revenu viager régi par la présente annexe”)

“locked-in retirement account” means an RRSP that meets the requirements set out in Schedule 3; (“compte de retraite avec immobilisation des fonds”)

“locked-in retirement income fund” means an RRIF that meets the requirements set out in Schedule 2; (“fonds de revenu de retraite immobilisé”)

“maximum funding valuation” means a maximum funding valuation for the purposes of the *Income Tax Act (Canada)*; (“évaluation du financement maximal”)

“normal cost” means the cost of pension benefits and ancillary benefits allocated to a fiscal year of a pension plan, determined on the basis of a going concern valuation; (“coût normal”)

“plan” means a pension plan; (“régime”)

“RRIF” means a registered retirement income fund established in accordance with the *Income Tax Act (Canada)*; (“FERR”)

“RRSP” means a registered retirement savings plan established in accordance with the *Income Tax Act (Canada)*; (“REÉR”)

“special payment” means a payment determined in accordance with section 5, 31, 32, 32.1 or 35. (“paiement spécial”) R.R.O. 1990, Reg. 909, s. 1 (1); O. Reg. 712/92, s. 1 (1, 2); O. Reg. 558/94, s. 1; O. Reg. 73/95, s. 1; O. Reg. 144/00, s. 1 (1); O. Reg. 116/06, s. 1 (1); O. Reg. 416/07, s. 1; O. Reg. 116/09, s. 1; O. Reg. 239/09, s. 1 (1); O. Reg. 84/11, s. 1; O. Reg. 288/11, s. 1; O. Reg. 178/12, s. 1 (1, 2); O. Reg. 420/19, s. 1.

(2) In this Part,

“actuarial cost certificate” means an actuarial cost certificate that satisfies the requirements of section 7.1; (“certificat actuariel”)

“actuarial gain” means the sum, if positive, of,

- (a) the gain to the pension plan during the period since the valuation date of the immediately preceding going concern valuation resulting from the difference between actual experience and the experience expected by the actuarial assumptions on which that valuation was based,
- (b) the amount by which the going concern liabilities decrease as a result of an amendment to the plan, and
- (c) the amount by which the going concern liabilities decrease or the going concern assets increase as a result of a change in actuarial methods or assumptions upon which the current going concern valuation is based,

as of the valuation date for a going concern valuation provided that clause (a), (b) or (c) or any combination thereof shall be counted as a negative in the calculation of the sum where,

- (d) the experience of the plan results in a loss rather than a gain,
- (e) an amendment increases the going concern liabilities, or
- (f) a change in actuarial methods or assumptions results in an increase in going concern liabilities or a decrease in going concern assets, as the case may be; (“gain actuariel”)

“actuarial loss” means the sum, if negative, of,

- (a) the gain to the pension plan during the period since the valuation date of the immediately preceding going concern valuation resulting from the difference between actual experience and the experience expected by the actuarial assumptions on which that valuation was based,
- (b) the amount by which the going concern liabilities decrease as a result of an amendment to the plan, and
- (c) the amount by which the going concern liabilities decrease or the going concern assets increase as a result of a change in actuarial methods or assumptions upon which the current going concern valuation is based,

as of the valuation date for a going concern valuation provided that any of clause (a), (b) or (c) or any combination thereof shall be counted as a negative in the calculation of the sum where,

- (d) the experience of the plan results in a loss rather than a gain,
- (e) an amendment increases the going concern liabilities, or
- (f) a change in actuarial methods or assumptions results in an increase in going concern liabilities or a decrease in going concern assets, as the case may be; (“perte actuarielle”)

“actuary” means a Fellow of the Canadian Institute of Actuaries; (“actuaire”)

“ancillary benefits” means the benefits referred to in subsection 40 (1) of the Act; (“prestation accessoire”)

“basic Ontario liabilities”, in relation to a plan, means the portion of the liabilities of the plan allocated under clause 30 (2) (d) to employment in Ontario; (“passif de base ontarien”)

“consent benefit” means an ancillary benefit, other than a plant closure benefit or a permanent layoff benefit, the eligibility requirements for which include the consent of an employer or, in the case of a jointly sponsored pension plan, the consent of the employer or the administrator; (“prestation assujettie à un consentement”)

“early retirement window benefit value” means the amount by which,

- (a) the portion of the solvency liabilities of a plan that relates to all the pension and ancillary benefits to which a member is entitled if the member elects early retirement under a temporary program offered for a maximum period of twelve months,

exceeds,

(b) the portion of the solvency liabilities of a plan that relates to all the pension and ancillary benefits to which the member would be entitled in the absence of the temporary program;
("valeur des prestations pendant la période d'admissibilité à la retraite anticipée")

"escalated adjustment" means an adjustment that is made to a deferred pension of a former member of a pension plan or to the pension of a retired member where,

(a) the adjustment is not capable of being determined with certainty at the time the plan or a relevant amendment to the plan is submitted for registration because the adjustment is related to the investment earnings of the pension fund or to future changes in a general wage or price index, or

(b) the adjustment is an increase in the pension or deferred pension at a fixed annual percentage rate specified in the plan; ("rajustement indexé")

"excluded permanent layoff benefit" means a permanent layoff benefit provided under a pension plan in respect of which an election under subsection 5 (18) is in effect; ("prestation de mise à pied permanente exclue")

"excluded plant closure benefit" means a plant closure benefit provided under a pension plan in respect of which an election under subsection 5 (18) is in effect; ("prestation de fermeture d'entreprise exclue")

"funded consent benefit" means a consent benefit for which a member has met all eligibility requirements except the consent of an employer or, in the case of a jointly sponsored pension plan, the consent of the employer or the administrator; ("prestation financée assujettie à un consentement")

"funded special allowance" means a special allowance for which a member has met all age and service eligibility requirements; ("allocation spéciale financée")

"going concern assets" means, in respect of a report under this Regulation relating to a pension plan, the sum of,

(a) the value of the assets of the pension plan determined on the basis of a going concern valuation, including accrued and receivable income but excluding the amount of any letter of credit held in trust for the pension plan,

(b) if the report has a valuation date before December 31, 2017 or is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of any special payments in respect of a going concern unfunded liability disclosed in previously filed reports, and

(c) if the report has a valuation date on or after December 31, 2017 and is not in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3),

(i) the present value of special payments in respect of any past service unfunded actuarial liability, other than special payments required to liquidate any past service unfunded liability determined in the report,

(ii) the present value of special payments described in clause 5 (1.0.0.1) (e) in respect of any plan amendment that increases going concern liabilities, and

(iii) the present value of special payments in respect of a going concern unfunded liability that are scheduled for payment within one year after the valuation date of the report and that are disclosed in the previously filed report, excluding any special payments described in subclause (i); ("actif à long terme")

"going concern excess" means, in respect of a pension plan, the amount, if any, by which the going concern assets of the pension plan exceed the sum of,

(a) the going concern liabilities of the pension plan,

(b) the amount equal to the provision for adverse deviations in respect of the going concern liabilities of the pension plan, and

(c) the prior year credit balance of the pension plan; ("excédent à long terme")

"going concern funded ratio" means, in relation to a pension plan, the ratio of "Y" to "Z" where,

“Y” is the amount by which the value of the assets of the pension plan determined on the basis of a going concern valuation, including accrued and receivable income but excluding the amount of any letter of credit held in trust for the pension plan, exceeds the prior year credit balance, and

“Z” is the total amount of the going concern liabilities of the pension plan; (“ratio de capitalisation à long terme”)

“going concern liabilities” means the present value of the accrued benefits of a pension plan determined on the basis of a going concern valuation; (“passif à long terme”)

“going concern unfunded liability” means,

- (a) for a report with a valuation date before December 31, 2017 or that is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the amount, if any, by which the sum of the going concern liabilities and the prior year credit balance exceeds the going concern assets, and
- (b) for a report with a valuation date on or after December 31, 2017, other than a report in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the amount, if any, by which the sum of the going concern liabilities, the amount equal to the provision for adverse deviations in respect of going concern liabilities and the prior year credit balance exceeds the going concern assets; (“passif à long terme non capitalisé”)

“going concern valuation” means a valuation of the assets and liabilities of a pension plan using methods and actuarial assumptions that are consistent with accepted actuarial practice for the valuation of a continuing pension plan; (“évaluation à long terme”)

“lump sum benefit improvement contribution” means a lump sum contribution that was made before the date a report is filed under subsection 3 (1) to fund, in whole or in part, any increase in going concern liabilities or solvency liabilities, or both, due to an amendment; (“cotisation forfaitaire pour amélioration des prestations”)

“Ontario assets” means the portion of the market value of the plan assets allocated for employment in Ontario under clause 30 (2) (e) or (e.1); (“actif ontarien”)

“Ontario plan beneficiary” means,

- (a) a member employed in Ontario,
- (b) a former member who was employed in Ontario immediately before he or she ceased to be a member, other than a former member for whom all pension and ancillary benefits are secured under a qualifying annuity contract or a contract issued under the *Government Annuities Act* (Canada),
- (c) a retired member who was employed in Ontario immediately before he or she ceased to be a member, other than a retired member for whom all pension and ancillary benefits are secured under a qualifying annuity contract or a contract issued under the *Government Annuities Act* (Canada), and
- (d) the surviving spouse of, or a beneficiary of, a former member who was an Ontario plan beneficiary under clause (b) or a retired member who was an Ontario plan beneficiary under clause (c), if the surviving spouse or the beneficiary is receiving a pension from the plan as a result of the death of the former member or retired member; (“bénéficiaire ontarien du régime”)

“Ontario wind up liability” of a pension plan means the sum of the liabilities of the plan on wind up for benefits relating to employment in Ontario of members, former members or retired members of the plan,

- (a) including the liabilities of the plan under subsection 39 (1), (2), (3) or (4) of the Act and under section 74 of the Act,
- (b) excluding any liability for benefits that are provided under qualifying annuity contracts; (“passif ontarien de liquidation”)

“past service unfunded actuarial liability” means,

- (a) the amount of going concern unfunded liability that arose on a valuation date before December 31, 2017 resulting from the provision of benefits with respect to employment prior to the effective date of the pension plan or from an amendment to a pension plan that provides benefits for employment prior to the date of the amendment where the employment had not previously been recognized for the purposes of the provision of pension benefits, or
- (b) the amount of going concern unfunded liability that arose on a valuation date on or after December 31, 2017 resulting from the provision of benefits with respect to employment prior to the effective date of the pension plan; (“passif actuariel pour services antérieurs non capitalisé”)

“PBGF assessment base” means, as of a given valuation date, the amount by which,

- (a) the PBGF liabilities,

exceed,

- (b) the solvency assets multiplied by the PBGF liabilities and divided by the solvency liabilities; (“base de cotisation au Fonds de garantie”)

“PBGF liabilities” means the portion of the solvency liabilities of a plan that relates to the Ontario plan beneficiaries, determined in accordance with section 37; (“passif du Fonds de garantie”)

“pensionable earnings” means the earnings on which contributions are based by virtue of the documents that create and support the pension plan; (“gains ouvrant droit à pension”)

“permanent layoff benefit” means a pension benefit or ancillary benefit for which the eligibility requirements include permanent layoff, whether or not the benefit requires the consent of the employer or, in the case of a jointly sponsored pension plan, the consent of the employer or the administrator; (“prestation de mise à pied permanente”)

“plant closure benefit” means a pension benefit or ancillary benefit payable only if all or a significant portion of the business carried on by the employer at a specific location is discontinued, whether or not the pension plan is wound up in whole or in part; (“prestation de fermeture d’entreprise”)

“potential early retirement window benefit value” means the early retirement window benefit value for a member who is eligible to elect, but has not yet elected, to receive the benefit; (“valeur potentielle des prestations pendant la période d’admissibilité à la retraite anticipée”)

“prior year credit balance” means the amount determined in accordance with subsections 5 (13) and (16); (“solde créditeur de l’année antérieure”)

“prospective benefit increase” means an increase to a pension benefit or ancillary benefit set out in the pension plan or agreed to by the parties to a collective agreement, but not yet in effect; (“augmentation future des prestations”)

“provision for adverse deviations” means the percentage determined under section 11.2 to be the provision for adverse deviations; (“provision pour écarts défavorables”)

“qualifying annuity contract” means an annuity contract for the purpose of providing benefits under a plan, with the following characteristics:

1. The contract does not contain a provision allowing for the redistribution of benefits on a wind up or partial wind up of the pension plan.
2. The contract was entered into before the 1st day of January, 1988.
3. The contract was issued by an insurance company or under the *Government Annuities Act* (Canada).
4. The benefits provided under the contract consist only of pensions and pension benefits purchased before the 1st day of January, 1993; (“contrat de rente admissible”)

“reduced solvency deficiency”, in relation to a report, means the amount determined in accordance with section 1.3.2 for a pension plan that provides defined benefits; (“déficit de solvabilité réduit”)

“remaining liabilities” means the value of benefits determined as required under clause 30 (2) (b); (“passif restant”)

“significant shareholder” means an individual who alone or in combination with a parent, spouse or child, owns or has a beneficial interest, directly or indirectly, in shares that represent 10 per cent or more of the voting rights attached to the shares of the employer who contributes to the pension plan; (“actionnaire important”)

“solvency asset adjustment” means the amount calculated under section 1.2; (“rajustement de l’actif de solvabilité”)

“solvency assets” means the market value of investments held by a pension plan plus any cash balances of the plan and accrued or receivable income items of the plan but excluding the value of any qualifying annuity contract of the plan and the amount of any letter of credit held in trust for the plan; (“actif de solvabilité”)

“solvency deficiency”, in relation to a report, means the amount determined in accordance with section 1.3.1 for a pension plan that provides defined benefits; (“déficit de solvabilité”)

“solvency liabilities”, in relation to a report, means the liabilities of a plan determined as if the plan had been wound up on the valuation date of the report, including liabilities for plant closure benefits or permanent layoff benefits that would be immediately payable if the employer’s business were discontinued on the valuation date of the report, but excluding liabilities set out under clauses 14 (8) (c) and 14 (8.0.4) (f) in the report for,

- (a) any escalated adjustment,
- (b) excluded plant closure benefits,
- (c) excluded permanent layoff benefits,
- (d) special allowances other than funded special allowances,
- (e) consent benefits other than funded consent benefits,
- (f) prospective benefit increases,
- (g) potential early retirement window benefit values, and
- (h) pension benefits and ancillary benefits payable under a qualifying annuity contract; (“passif de solvabilité”)

“solvency liability adjustment” means the amount specified by section 1.3; (“rajustement du passif de solvabilité”)

“solvency ratio” means, in relation to a pension plan, the ratio of “Y” to “Z” where,

“Y” is the amount by which the sum of the total amount of the solvency assets of the pension plan related to defined benefits and ancillary benefits plus the total amount of any letters of credit held in trust for the pension plan exceeds the prior year credit balance, and

“Z” is the total amount of the solvency liabilities related to defined benefits and ancillary benefits of the pension plan; (“ratio de solvabilité”)

“special allowance” means a bridging benefit that is adjusted according to the income of the retired member resulting from employment of the retired member subsequent to termination; (“allocation spéciale”)

“transfer deficiency” means the amount by which the commuted value of a benefit determined in accordance with subsection 19 (1) exceeds the transfer value of that benefit determined in accordance with subsection 19 (2); (“déficit de transfert”)

“transfer ratio”, in relation to a report, means the ratio of,

- (a) the amount by which the solvency assets exceed the lesser of,
 - (i) the prior year credit balance, and

(ii) the sum of,

- (A) if the report has a valuation date before December 31, 2017 or is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3),
 - (1) the amount by which the sum of the estimates of normal cost given under clauses 14 (7) (a) and (b) in the report exceeds the sum of the estimates given under clause 14 (7) (c) in the report for the periods in respect of which the estimates under clauses 14 (7) (a) and (b) are given, and
 - (2) the sum of the special payments required to be made under this Regulation during the periods in respect of which the estimates under clauses 14 (7) (a) and (b) are given;
- (B) if the report has a valuation date on or after December 31, 2017 and is not in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3),
 - (1) the amount by which the sum of the estimates of normal cost given under clauses 14 (8.0.2) (a) and (b) and the estimates of the amount equal to the provision for adverse deviations in respect of the normal cost given under subclause 14 (8.0.2) (c) (ii) in the report exceeds the sum of the estimates given under clause 14 (8.0.2) (d) in the report for the periods in respect of which the estimates under clauses 14 (8.0.2) (a) and (b) and subclause 14 (8.0.2) (c) (ii) are given, and
 - (2) the sum of the special payments required to be made under this Regulation during the periods in respect of which the estimates under clauses 14 (8.0.2) (a) and (b) and subclause 14 (8.0.2) (c) (ii) are given,

to,

(b) the sum of,

- (i) the solvency liabilities, and
- (ii) the liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities; (“ratio de transfert”)

“valuation date” means the date as of which the assets and liabilities are valued for the purposes of the going concern and solvency valuations in a report under section 3, 4, 13 or 14; (“date d’évaluation”)

“wind up funded ratio” means the ratio of the Ontario assets to the Ontario wind up liability. (“ratio de financement à la liquidation”) R.R.O. 1990, Reg. 909, s. 1 (2); O. Reg. 712/92, s. 1 (3-22); O. Reg. 409/94, s. 1; O. Reg. 115/00, s. 1; O. Reg. 144/00, s. 1 (2, 3); O. Reg. 324/05, s. 1; O. Reg. 116/06, s. 1; O. Reg. 570/06, s. 1; O. Reg. 413/07, s. 1; O. Reg. 239/09, s. 1 (2); O. Reg. 177/11, s. 1; O. Reg. 466/11, s. 1; O. Reg. 178/12, s. 1 (3-11); O. Reg. 364/12, s. 1; O. Reg. 250/18, s. 1, 2 (1-8); O. Reg. 105/19, s. 1.

(3) If the solvency liabilities in respect of a member include liabilities for a funded special allowance, the liabilities for the funded special allowance shall be calculated on the assumption that the member receives no income from employment. O. Reg. 712/92, s. 1 (23).

(4) In calculating solvency assets, where there is no market value for an investment of a pension plan and the investment is issued or guaranteed by a government, the book value of the investment may be used instead of market value. R.R.O. 1990, Reg. 909, s. 1 (4); O. Reg. 250/18, s. 2 (9).

(5) For the purposes of this Regulation, a going concern unfunded liability, a past service unfunded actuarial liability, a solvency deficiency, a reduced solvency deficiency, a solvency liability, a transfer deficiency and a transfer ratio each arises on the valuation date of the report in which it is determined. O. Reg. 712/92, s. 1 (24); O. Reg. 250/18, s. 2 (10).

1.1 REVOKED: O. Reg. 250/18, s. 3.

Solvency asset adjustment

1.2 (1) For the purposes of this Part, the solvency asset adjustment in relation to a report in respect of a pension plan for which a benefit allocation method is used to set contribution rates is the sum of,

- (a) the amount, which may be positive or negative, by which the value of the solvency assets are adjusted as a result of applying an averaging method that stabilizes short-term fluctuations in the market value of the plan assets, calculated over a period of not more than five years;
- (b) REVOKED: O. Reg. 329/12, s. 1 (1).
- (c) the present value of any special payments required to liquidate any past service unfunded actuarial liability;
- (d) if the report has a valuation date before December 31, 2017 or is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of all special payments referred to in clause 5 (1) (b) or (e) that are scheduled for payment within the following period, other than special payments required to liquidate any past service unfunded liability or any solvency deficiency determined in the report:
 - (i) the period of five years that begins on the valuation date of a report with a valuation date before September 30, 2011, in the case of a pension plan that is not a jointly sponsored pension plan,
 - (ii) a period that begins on the valuation date of a report with a valuation date on or after September 30, 2011 and continues until the end of a five-year period that begins on a date not later than 12 months after the valuation date, in the case of a pension plan that is not a jointly sponsored pension plan,
 - (iii) a period that begins on the valuation date of the report and continues until the end of a five-year period that begins on a date not later than 12 months after the valuation date, in the case of a jointly sponsored pension plan;
- (d.1) if the report has a valuation date on or after December 31, 2017 and is not in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3),
 - (i) the present value of all special payments referred to in clauses 5 (1.0.0.1) (a), (b) and (e) that are scheduled for payment within a period that begins on the valuation date of a report and continues until the end of a five-year period that begins on a date not later than 12 months after the valuation date, and
 - (ii) the present value of all special payments referred to in clauses 5 (1.0.0.1) (f) and (g), other than special payments required to liquidate any reduced solvency deficiency determined in the report; and
- (e) the amount that is the lesser of,
 - (i) the total amount of all letters of credit held in trust for the pension fund as of the valuation date of the report, excluding the value of any special payments to which the letters of credit relate and which are due after the valuation date of the report, and
 - (ii) 15 per cent of the amount of the solvency liabilities, determined excluding the liabilities described in clauses (a) to (h) of the definition of "solvency liabilities" in subsection 1 (2).
O. Reg. 116/06, s. 2; O. Reg. 329/12, s. 1 (1, 2); O. Reg. 364/12, s. 2 (1); O. Reg. 119/14, s. 1; O. Reg. 250/18, s. 4 (1, 2); O. Reg. 533/21, s. 1 (1).

(1.1) For the purposes of determining the present value of special payments in subclause (1) (d.1) (i), the references to the "last filed report" in clauses 5 (1.0.0.1) (a) and (b) shall be read as references to the report mentioned in subsection (1). O. Reg. 105/19, s. 2.

(2) Despite subsection (1), the solvency asset adjustment in relation to a report in respect of a pension plan that provides defined benefits and for which a benefit allocation method is not used to set contribution rates is the amount calculated using the formula,

$$A + B + F$$

in which,

“A” is the amount, which may be positive or negative, by which the value of the solvency assets are adjusted as a result of applying an averaging method that stabilizes short-term fluctuations in the market value of the plan assets, calculated over a period of not more than five years,

“B” is the greater of zero and the amount calculated using the formula,

$$C + D - E$$

in which,

“C” is the present value of the required contributions for the following period, which are determined using the actuarial cost method adopted by the plan:

- (a) the five-year period that begins on the valuation date of a report with a valuation date before September 30, 2011, in the case of a pension plan that is not a jointly sponsored pension plan,
- (b) a period that begins on the valuation date of a report with a valuation date on or after September 30, 2011 and continues until the end of a five-year period that begins on a date not later than 12 months after the valuation date, in the case of a pension plan that is not a jointly sponsored pension plan, or
- (c) a period that begins on the valuation date of the report and continues until the end of a five-year period that begins on a date not later than 12 months after the valuation date, in the case of a jointly sponsored pension plan,

“D” is the amount described in subsection (2.1), and

“E” is the amount described in subsection (2.2), and

“F” is the amount of clause (1) (e).

O. Reg. 116/06, s. 2; O. Reg. 329/12, s. 1 (3); O. Reg. 364/12, s. 2 (2, 3); O. Reg. 250/18, s. 4 (3).

(2.1) In the formula in subsection (2), “D” is,

- (a) for a report with a valuation date before December 31, 2017 or that is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of any special payments referred to in clause 5 (1) (e) that are scheduled for payment within the applicable period described in the definition of “C” in subsection (2), other than any special payments required to liquidate any solvency deficiency determined in the report; and
- (b) for a report with a valuation date on or after December 31, 2017, other than a report in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of any special payments referred to in clauses 5 (1.0.0.1) (f) and (g), other than any special payments required to liquidate any reduced solvency deficiency determined in the report. O. Reg. 250/18, s. 4 (4); O. Reg. 533/21, s. 1 (2).

(2.2) In the formula in subsection (2), “E” is,

- (a) for a report with a valuation date before December 31, 2017 or in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of the normal cost, which is determined using a benefit allocation method, for the applicable period described in the definition of “C” in subsection (2); and

(b) for a report with a valuation date on or after December 31, 2017, other than a report in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of the normal cost and the amount equal to the provision for adverse deviations in respect of the normal cost, determined using a benefit allocation method, for the applicable period described in the definition of "C" in subsection (2). O. Reg. 250/18, s. 4 (4).

(3) For the purposes of subsections (1) and (2), for a report with a valuation date before December 31, 2017 or in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of special payments, required contributions and the normal cost must be calculated as of the valuation date of the report and must be calculated using,

(a) the interest rates used in the report to calculate the solvency liabilities, if the solvency liability adjustment is zero; or

(b) the average interest rates used in the report to calculate the solvency liability adjustment, if the solvency liability adjustment is not zero. O. Reg. 116/06, s. 2; O. Reg. 250/18, s. 4 (5).

(3.1) For the purposes of subsections (1) and (2), for a report with a valuation date on or after December 31, 2017, other than a report in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3), the present value of special payments, required contributions, the normal cost and the provision for adverse deviations in respect of the normal cost must be calculated as of the valuation date of the report using,

(a) the interest rates that were used in the report to calculate the solvency liabilities, if the solvency liability adjustment is zero; or

(b) the average interest rates that were used in the report to calculate the solvency liability adjustment, if the solvency liability adjustment is not zero. O. Reg. 250/18, s. 4 (6).

(4) In the case of a jointly sponsored pension plan, the present values determined for the purposes of the definitions of "C", "D" and "E" in subsection (2) shall be calculated based on the sum of the projected pensionable earnings for the applicable period described in the definition of "C" in subsection (2). O. Reg. 116/06, s. 2.

Solvency liability adjustment

1.3 (1) For the purposes of this Part, the solvency liability adjustment in relation to a report is zero unless either of the circumstances described in subsection (2) exist. O. Reg. 413/07, s. 2.

(2) The solvency liability adjustment in relation to a report is the amount calculated under subsection (3) if either of the following circumstances exist:

1. The solvency valuation includes a determination of a solvency asset adjustment, and that solvency asset adjustment includes an amount described in clause 1.2 (1) (a).

2. The solvency valuation includes a determination of a solvency asset adjustment, and that solvency asset adjustment includes an amount defined as "A" in subsection 1.2 (2). O. Reg. 413/07, s. 2.

(3) In the circumstances described in subsection (2), the solvency liability adjustment is the amount, positive or negative, by which the value of the solvency liabilities is adjusted as a result of using a solvency valuation interest rate that is the average of market interest rates calculated over the same period of time as the one used in the determination of the amount referred to in paragraph 1 or 2 of subsection (2), whichever applies. O. Reg. 413/07, s. 2.

Solvency deficiency of plan providing defined benefits

1.3.1 (1) For the purposes of this Part, the solvency deficiency, in relation to a report, of a pension plan that provides defined benefits is the amount determined in accordance with this section. O. Reg. 177/11, s. 2.

(2) The amount of the solvency deficiency of a pension plan, as of a particular valuation date, is the amount by which "A" exceeds "B" where,

“A” is the sum of the solvency liabilities, the solvency liability adjustment and the prior year credit balance as of the valuation date, and

“B” is the sum of the solvency assets and the solvency asset adjustment as of the valuation date. O. Reg. 177/11, s. 2; O. Reg. 250/18, s. 1.

(3) Despite subsection (2), a report for any of the following pension plans may specify that the solvency deficiency as of a valuation date that falls on or after December 31, 2010 is a stated amount which is less than the solvency deficiency calculated under subsection (2) but not less than zero:

1. Pension Plan for the Employees of the Ontario Public Service Employees Union, registered under the Act as number 339861.
2. Ontario Teachers' Pension Plan, registered under the Act as number 345785.
3. OMERS Primary Pension Plan, registered under the Act as number 345983.
4. Healthcare of Ontario Pension Plan, registered under the Act as number 346007.
5. Colleges of Applied Arts and Technology Pension Plan, registered under the Act as number 589895.
6. Ontario Public Service Employees' Union Pension Plan, registered under the Act as number 1012046.
7. Toronto Transit Commission Pension Fund Society, registered under the Act as number 317586.
8. OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics, registered under the Act as number 1175892.
9. Workplace Safety and Insurance Board Employees' Pension Plan, registered under the Act as number 0579839.
10. University Pension Plan Ontario, registered under the Act as number 1357243. O. Reg. 177/11, s. 2; O. Reg. 336/11, s. 1; O. Reg. 250/18, s. 5; O. Reg. 285/20, s. 1; O. Reg. 670/20, s. 1.

(4) If a pension plan listed in subsection (3) ceases to be a jointly sponsored pension plan, subsection (3) does not apply to any solvency deficiency of the pension plan as of a valuation date that falls on or after the date on which the pension plan ceased to be a jointly sponsored pension plan. O. Reg. 177/11, s. 2.

Reduced solvency deficiency of plan providing defined benefits

1.3.2 (1) For the purposes of this Part, the reduced solvency deficiency, in relation to a report, of a pension plan that provides defined benefits is the amount determined in accordance with this section. O. Reg. 250/18, s. 6.

(2) The amount of the reduced solvency deficiency of a pension plan, as of a particular valuation date, is the amount by which “A” exceeds “B” where,

“A” is the sum of,

- (a) 85 per cent of the pension plan's solvency liabilities,
- (b) 85 per cent of the pension plan's solvency liability adjustment, and
- (c) the pension plan's prior year credit balance as of the valuation date; and

“B” is the sum of the pension plan's solvency assets and the solvency asset adjustment as of the valuation date.

O. Reg. 250/18, s. 6.

DESIGNATED JURISDICTIONS AND AGREEMENTS WITH DESIGNATED JURISDICTIONS

Designated jurisdictions

1.4 (1) For the purposes of the definition of “designated jurisdiction” in subsection 1 (1) of the Act, each of the following jurisdictions in Canada is prescribed as a jurisdiction in which there is in force legislation substantially similar to the Act:

1. Canada.
2. The provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Quebec and Saskatchewan. O. Reg. 342/10, s. 1.

(2) The status of Canada as a designated jurisdiction applies in respect of “included employment” as defined in subsection 2 (1) of the *Pension Benefits Standards Act, 1985* (Canada) but not in respect of any other employment in Canada. O. Reg. 342/10, s. 1.

Agreements with designated jurisdictions

1.5 The following are the agreements entered into by the Minister under section 100 of the Act concerning the pension benefits legislation that governs designated multi-jurisdictional pension plans in Ontario, and a statement indicating the date on which each agreement comes into effect in Ontario with respect to a specified designated jurisdiction:

1. The agreement entitled “Agreement respecting multi-jurisdictional pension plans”, signed by the Minister on May 9, 2011 and published in *The Ontario Gazette* on May 21, 2011,
 - i. comes into effect in Ontario on July 1, 2011 with respect to Quebec, and
 - ii. ceases to have effect in Ontario on July 1, 2016 with respect to Quebec; however, any matter related to a pension plan that was subject to the agreement on June 30, 2016, and that was still pending on that date before the Financial Services Commission of Ontario, Retraite Québec, an administrative body or a court continues to be subject to the requirements of the agreement.
2. The agreement entitled “2016 Agreement respecting multi-jurisdictional pension plans”, signed by the Minister on May 18, 2016 and published in *The Ontario Gazette* on June 4, 2016,
 - i. comes into effect in Ontario on July 1, 2016 with respect to British Columbia, Nova Scotia, Quebec and Saskatchewan, and
 - ii. ceases to have effect in Ontario on July 1, 2020 with respect to British Columbia, Nova Scotia, Quebec and Saskatchewan; however, any matter related to a pension plan that was subject to the agreement on June 30, 2020, and that was still pending on that date before a person who had supervisory or regulatory powers under the pension benefits legislation of any of the parties to the agreement, an administrative body or a court, continues to be subject to the requirements of the agreement. O. Reg. 240/16, s. 1; O. Reg. 290/20, s. 1.

REGISTRATION AND AMENDMENTS

Application for registration of pension plan

2. An application under subsection 9 (1) of the Act for registration of a pension plan must be made within 90 days after the pension plan is established. O. Reg. 144/00, s. 2.

Plan amendments

3. (1) Where an amendment to a pension plan reduces or increases contributions or creates or changes a going concern unfunded liability or solvency deficiency, the administrator shall file a report containing,

- (a) the plan's going concern funded ratio on the date the amendment is effective;
- (b) a description of the lump sum benefit improvement contribution, if any; and
- (c) any of the information required in a report under section 14 that might be affected by the amendment. O. Reg. 250/18, s. 7; O. Reg. 105/19, s. 3.

(1.0.1) Subsection (1) does not apply with respect to an amendment made to confer a benefit improvement that is required by law. O. Reg. 178/12, s. 2.

(1.1) Subsection (1) does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits. O. Reg. 144/00, s. 3.

(1.1.1) Subsection (1) does not apply with respect to an amendment that relates to a conversion and transfer of assets under section 80.4 of the Act or to a conversion under section 81.0.1 of the Act. O. Reg. 312/15, s. 1.

(1.1.2) Despite clause (1) (c), a report under this section is not required to include the information required under subclauses 14 (8.0.4) (h) (ii) to (viii). O. Reg. 529/21, s. 1.

(1.2) A jointly sponsored pension plan listed in subsection 1.3.1 (3) must file a report under subsection (1) if an amendment to the pension plan changes the amount of the solvency deficiency that would be calculated under subsection 1.3.1 (2) for the pension plan. O. Reg. 177/11, s. 3.

(2) The administrator shall file the report required under subsection (1) within six months following the date the amendment is required to be submitted for registration. R.R.O. 1990, Reg. 909, s. 3 (2).

(2.1) REVOKED: O. Reg. 287/20, s. 1 (2).

(3) An administrator who is required by the Chief Executive Officer to give notice of a proposed amendment under subsection 26 (1) of the Act shall certify in writing to the Chief Executive Officer, within thirty days after the date on which the last of the notices was transmitted, details as to the classes of persons who received notice, the date the last notice was distributed and that notice was provided as required. R.R.O. 1990, Reg. 909, s. 3 (3); O. Reg. 149/19, s. 1.

(4) The administrator shall file the explanation required to be provided under subsection 26 (3) of the Act within six months after registration of the amendment. R.R.O. 1990, Reg. 909, s. 3 (4).

Improvement in benefits, prescribed levels, s. 14.0.1 (1) (b) of the Act

3.0.1 (1) For the purposes of clause 14.0.1 (1) (b) of the Act,

- (a) the prescribed level of the solvency ratio is 80 per cent; and
- (b) the prescribed level of the going concern funded ratio is 80 per cent. O. Reg. 250/18, s. 8.

(2) Despite subsection (1), in the case of an amendment to a pension plan in respect of which a lump sum benefit improvement contribution is made to the pension fund that is at least equal to the greater of the increase in going concern liabilities and the increase in solvency liabilities resulting from the amendment, for the purposes of clause 14.0.1 (1) (b) of the Act,

(a) the prescribed level of the solvency ratio is the level that is equal to the plan's solvency ratio if no such amendment were made; and

(b) the prescribed level of the going concern funded ratio is the level that is equal to the plan's going concern funded ratio if no such amendment were made. O. Reg. 250/18, s. 8; O. Reg. 105/19, s. 4 (1).

(3) REVOKED: O. Reg. 105/19, s. 4 (2).

(4) Subsections (1) and (2) do not apply to an amendment to a pension plan if,

(a) the amendment is filed before May 1, 2018; or

(b) the amendment implements a benefit improvement agreed to in a collective agreement before May 1, 2018 if the collective agreement is in place immediately before that date. O. Reg. 250/18, s. 8.

(5) Section 14.0.1 of the Act does not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 105/19, s. 4 (3).

JOINTLY SPONSORED PENSION PLANS

Jointly sponsored pension plans, additional criteria

3.1 (1) For the purposes of paragraph 4 of subsection 1 (2) of the Act, a pension plan must, by virtue of the documents that create and support the plan, satisfy the following additional criteria in order to be a jointly sponsored pension plan:

1. The total amount of contributions payable by members of the pension plan in respect of a year, excluding any additional voluntary contributions and voluntary contributions for past service as described in subsection 39 (5) of the Act, cannot exceed the total amount of contributions payable to the pension plan in respect of the year by the employer or by the person or entity required to make contributions on behalf of the employer, as the case may be.
2. The pension plan does not permit a reduction in the amount of or the commuted value of a pension benefit, a pension, a deferred pension or an ancillary benefit in the circumstances described in subsection 14 (2) or (3) of the Act, except in the circumstances of a wind up.
3. The employers or any persons or entities who make contributions on behalf of the employers or represent the employers and the members of the pension plan or any representatives of the members are jointly responsible for making all decisions about the terms and conditions of the pension plan and any amendments to the pension plan.
4. The employers or any persons or entities who make contributions on behalf of the employers or represent the employers and the members of the pension plan or any representatives of the members are jointly responsible for making all decisions regarding,
 - i. the appointment of the administrator of the plan, or
 - ii. the appointment or selection of persons as members of any body or entity referred to in clause 8 (1) (b), (c), (e), (f) or (h) of the Act that is the administrator of the plan.

5. The level of a member's pension benefits, other than ancillary benefits, and the amount of a member's contributions are directly related to the member's pensionable earnings. O. Reg. 116/06, s. 3.

(2) The documents that create and support a jointly sponsored pension plan must set out the methods by which the decisions referred to in paragraphs 3 and 4 of subsection (1) are to be made. O. Reg. 116/06, s. 3.

Filing of statement

3.2 (1) The administrator of a jointly sponsored pension plan shall file a statement that certifies that the pension plan satisfies the criteria to be a jointly sponsored pension plan, certifies the date on which it became such a pension plan, and describes how the pension plan satisfies the criteria to be a jointly sponsored pension plan. O. Reg. 177/11, s. 4.

(2) The statement must be filed no later than the date on which the first report under section 3, 13 or 14 is filed or submitted after the pension plan becomes a jointly sponsored pension plan. O. Reg. 177/11, s. 4.

(3) Despite subsection (2), if the pension plan is a jointly sponsored pension plan on June 1, 2011, the statement must be filed no later than the date on which the first report under section 3, 13 or 14 is filed or submitted after June 1, 2011. O. Reg. 177/11, s. 4.

FUNDING OF PENSION PLANS

Payments – general

4. (0.1) In this section,

“specified period” means, in respect of a report filed under section 3 or 14 or submitted under section 4 or 13, the period beginning on the later of the start of the fiscal year of the plan in which the report was filed or submitted and the valuation date of the report and ending on the day before the day on which the report is filed or submitted. (“période déterminée”) O. Reg. 250/18, s. 9 (1); O. Reg. 105/19, s. 5 (1); O. Reg. 533/21, s. 2 (1).

(1) Every pension plan shall set out the obligation of the employer or any person or entity required to make contributions on behalf of the employer and, in the case of a jointly sponsored pension plan, the obligation of the members of the pension plan, if applicable, to contribute both in respect of the normal cost and any going concern unfunded liability and solvency deficiency under the plan. O. Reg. 116/06, s. 4 (1).

(1.1) Every pension plan shall also set out the obligation of the employer or any person or entity required to make contributions on behalf of the employer and, in the case of a jointly sponsored pension plan, the obligation of the members of the pension plan, if applicable, to contribute in respect of,

- (a) the provision for adverse deviations in respect of the normal cost;
- (b) any plan amendment that increases going concern liabilities; and
- (c) any reduced solvency deficiency under the plan. O. Reg. 250/18, s. 9 (2).

(1.2) Clause (1.1) (c) does not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 250/18, s. 9 (2).

(1.3) Any plan amendments that are required for the purpose of complying with subsection (1.1) shall be made within 12 months after the date the first report for the pension plan with a valuation date on or after December 31, 2017 is filed under section 3, 13 or 14. O. Reg. 250/18, s. 9 (2).

(2) Subject to subsections (2.1) and (2.1.1), an employer who is required to make contributions under a pension plan or, if a person or entity is required to make contributions under the pension plan on behalf of the employer, that person or entity and, if applicable, the members of the pension plan or their representative shall make payments to the pension fund or to an insurance company, as applicable, that are not less than the sum of,

(a) in the case of a report with a valuation date before December 31, 2017, all contributions, including contributions in respect of any going concern unfunded liability and solvency deficiency and money withheld by payroll deduction or otherwise from an employee, that are received from employees as the employees' contributions to the pension plan;

(a.1) as of the date the first report with a valuation date on or after December 31, 2017 is filed under section 3, 13 or 14, all contributions, including contributions for the provision for adverse deviations in respect of the normal cost, any going concern unfunded liability, solvency deficiency and reduced solvency deficiency, and money withheld by payroll deduction or otherwise from an employee, that are received from employees as the employees' contributions to the pension plan;

(b) all contributions required to pay the normal cost;

(b.1) as of the date the first report with a valuation date on or after December 31, 2017 is filed under section 3, 13 or 14, all contributions required to pay the amount equal to the provision for adverse deviations in respect of the normal cost determined in accordance with section 11.1;

(c) all special payments determined in accordance with section 5; and

(c.1) REVOKED: O. Reg. 533/21, s. 2 (2).

(d) all special payments determined in accordance with sections 31, 32 and 35 and all payments determined in accordance with section 31.1. O. Reg. 712/92, s. 3 (2); O. Reg. 73/95, s. 2 (1); O. Reg. 116/06, s. 4 (2-4); O. Reg. 239/09, s. 2; O. Reg. 329/12, s. 2 (1); O. Reg. 161/16, s. 1; O. Reg. 225/17, s. 1; O. Reg. 250/18, s. 9 (3-5); O. Reg. 533/21, s. 2 (2).

(2.1) Despite subsection (2), an employer required to make contributions under a designated plan or an individual pension plan shall not be required to make a payment to the pension fund or to an insurance company, as applicable, that is not an eligible contribution. O. Reg. 73/95, s. 2 (2); O. Reg. 178/12, s. 3 (1).

(2.1.1) If the payments required under subsection (2) are greater than they would have been under that subsection as it read immediately before May 1, 2018, an employer who is required to make contributions under a pension plan, or if a person or entity is required to make contributions under the pension plan on behalf of the employer, that person or entity, and, if applicable, the members of the pension plan or their representative, shall make payments to the pension fund or to an insurance company, as applicable, that are not less than the amount calculated using the formula,

$$A - [(A-B) \times C]$$

in which,

"A" is the total of the payments required under subsection (2) for the year based on the most recently filed report,

"B" is the total of the payments that would have been required under subsection (2) as it read immediately before May 1, 2018,

"C" is the value described in subsection (2.1.2).

(2.1.2) The value of “C” in the formula in subsection (2.1.1) is the value determined in accordance with the following:

1. For a pension plan that provides defined benefits where the obligation of the employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement that exists on May 1, 2018:
 - i. The value of “C” is equal to one in the year that is the earlier of,
 - A. 2021, and
 - B. the year in which the collective agreement expires.
 - ii. In any year prior to the year described in subparagraph i, the value of “C” is equal to one.
 - iii. In the year immediately following the year described in subparagraph i, the value of “C” is equal to one.
 - iv. In the year immediately following the year described in subparagraph iii, the value of “C” is equal to 0.667.
 - v. In the year immediately following the year described in subparagraph iv, the value of “C” is equal to 0.333.
 - vi. In any year following the year described in subparagraph v, the value of “C” is zero.
2. For any other pension plan:
 - i. In the first year following the valuation date of the first report filed with a valuation date that is on or after December 31, 2017, the value of “C” is equal to one.
 - ii. In the year immediately following the year described in subparagraph i, the value of “C” is equal to 0.667.
 - iii. In the year immediately following the year described in subparagraph ii, the value of “C” is equal to 0.333.
 - iv. In any year following the year described in subparagraph iii, the value of “C” is zero. O. Reg. 250/18, s. 9 (6).

(2.2) Despite subsections (1) and (2), the amount of contributions required to be made to a pension plan that provides defined benefits may be determined by using an actuarial cost method other than a benefit allocation method if,

- (a) the actuarial cost method that is used is consistent with accepted actuarial practice; and

(b) the rules set out in subsection (2.3) are satisfied. O. Reg. 116/06, s. 4 (5).

(2.3) For the purposes of clause (2.2) (b), the rules are as follows:

1., 1.1 REVOKED: O. Reg. 329/12, s. 2 (2).

1.2 If, at the valuation date of a report filed under section 3, 13 or 14 that is before December 31, 2017, the amount determined under clause (a) of the definition of “going concern assets” in subsection 1 (2) is not less than the going concern liabilities determined using a benefit allocation method, the present value of the required contributions for the five-year period referred to in paragraph 1.3 must not be less than the present value of the contributions for that period that would be made in respect of the normal cost for the plan if the benefit allocation method were used, after the application of any actuarial gains to reduce the normal cost in accordance with subsection 7 (3).

1.2.1 If, at the valuation date of a report filed under section 3, 13 or 14 with a valuation date that is on or after December 31, 2017, the amount determined under clause (a) of the definition of “going concern assets” in subsection 1 (2) is not less than the sum of going concern liabilities determined using a benefit allocation method and the amount equal to the provision for adverse deviations in respect of going concern liabilities determined using the benefit allocation method, the present value of the required contributions for the five-year period referred to in paragraph 1.3 must not be less than the sum of the following, subject to paragraph 1.2.2:

i. The present value of the contributions for that period that would be made for the normal cost for the plan.

ii. The amount equal to the provision for adverse deviations in respect of the normal cost.

1.2.2 The amounts mentioned in subparagraphs 1.2.1 i and ii shall be determined using the benefit allocation method after the application of any available actuarial surplus to reduce the normal cost and the provision for adverse deviations in respect of the normal cost in accordance with subsection 7.0.3 (1) or, if the pension plan is a jointly sponsored pension plan listed in subsection 1.3.1 (3), after the application of any actuarial gains to reduce the normal cost in accordance with subsection 7 (3).

1.3 The five-year period referred to in paragraph 1.2 or 1.2.1 must begin,

i. in the case of a pension plan that is not a jointly sponsored pension plan, on the valuation date, or

ii. in the case of a jointly sponsored pension plan, on a date not later than 12 months after the valuation date.

2. If, at the valuation date of a report filed under section 3, 13 or 14 with a valuation date before December 31, 2017 or in respect of a plan that is a jointly sponsored pension plan listed in subsection 1.3.1 (3), the amount determined under clause (a) of the definition of “going concern assets” in subsection 1 (2) is less than the going concern liabilities determined using a benefit allocation method, the present value of the required contributions, which are determined under the actuarial cost method used by the plan, must not be less than the sum of the present value of the normal cost and the present value of the special payments determined in accordance with section 5 that would be required to liquidate any going concern unfunded liability determined using the benefit allocation method.

2.0.1 If, at the valuation date of a report filed under section 3, 13 or 14 with a valuation date that is on or after December 31, 2017 in respect of a plan that is not a jointly sponsored pension plan listed in subsection 1.3.1 (3), the amount determined under clause (a) of the definition of “going concern assets” in subsection 1 (2) is less than the sum of going concern liabilities determined using a benefit allocation method and the amount equal to the provision for adverse deviations in respect of going concern liabilities determined using the benefit allocation method, the present value of the required contributions, as determined under the actuarial cost method used by the plan, must not be less than the sum of the following, determined using the benefit allocation method:

- i. The present value of the normal cost.
- ii. The present value of the amount equal to the provision for adverse deviations in respect of the normal cost.
- iii. The present value of the special payments determined in accordance with section 5 that would be required,
 - A. in respect of any plan amendment that increases going concern liabilities, or
 - B. to liquidate a going concern unfunded liability.

2.1 The present values referred to in paragraphs 1.2, 1.2.1, 2 and 2.0.1 shall be determined without reference to paragraphs 7 and 10 and without reference to subsections (2.7) and (2.7.1).

3. The rate or rates of interest to be used in calculating present values referred to in paragraphs 1.2, 1.2.1, 2 and 2.0.1 shall be the rate or rates used in the report for the going concern valuation.

3.1 For the purposes of paragraphs 1.2, 1.2.1, 2 and 2.0.1, the going concern valuation prepared using the benefit allocation method shall use the same rate or rates of interest as those used in the going concern valuation prepared using the actuarial cost method used by the plan.

4. In the case of a pension plan that is not a jointly sponsored pension plan, the present values referred to in paragraph 2 shall be calculated using whichever of the following periods is longer:

- i. The period that begins on the valuation date and continues until the end of the remaining amortization period of the going concern unfunded liability that has the longest remaining amortization period.
- ii. The period of five years that begins on the valuation date.

4.0.1 In the case of a pension plan that is not a jointly sponsored pension plan, the present values referred to in paragraph 2.0.1 shall be calculated using whichever of the following periods is longest:

- i. The period that begins on the valuation date referred to in paragraph 2.0.1 and continues until the end of the remaining amortization period of the going concern unfunded liability.
- ii. The period that begins on the valuation date referred to in paragraph 2.0.1 and continues until the end of the amortization period in respect of any plan amendment that increases the going concern liabilities that has the longest remaining amortization period.

iii. The period of five years that begins on the valuation date referred to in paragraph 2.0.1.

4.1 In the case of a jointly sponsored pension plan, the present values referred to in paragraph 2 shall be calculated using whichever of the following periods is longer:

i. The period that begins on a date not later than 12 months after the valuation date and continues until the end of the remaining amortization period of the going concern unfunded liability that has the longest remaining amortization period.

ii. The period of five years that begins on a date not later than 12 months after the valuation date.

4.2 In the case of a jointly sponsored pension plan to which paragraph 2.0.1 applies, the present values referred to in paragraph 2.0.1 shall be calculated using whichever of the following periods is longest:

i. The period that begins on a date that is not later than 12 months after the valuation date referred to in paragraph 2.0.1 and continues until the end of the remaining amortization period of the going concern unfunded liability.

ii. The period that begins on a date that is not later than 12 months after the valuation date referred to in paragraph 2.0.1 and continues until the end of the amortization period in respect of any plan amendment that increases going concern liabilities that has the longest remaining amortization period.

iii. The period of five years that begins on a date that is not later than 12 months after the valuation date referred to in paragraph 2.0.1.

5. In the case of a jointly sponsored pension plan,

i. REVOKED: O. Reg. 329/12, s. 2 (7).

ii. the present values referred to in paragraphs 1.2 and 1.2.1 shall be calculated based on the sum of the projected pensionable earnings for each year in the five-year period referred to in that paragraph,

iii. the present values referred to in paragraphs 2 and 2.0.1 shall be calculated based on the period used for the purpose of paragraph 4.1 or 4.2, as the case may be, and the sum of the projected pensionable earnings for each year in the applicable period, and

iv. the actuarial assumptions used to determine the sums referred to in subparagraphs i, ii and iii of the projected pensionable earnings shall be consistent with those used in the report for the going concern valuation based on the benefit allocation method.

6. Subject to paragraph 7, the required contribution rate for a jointly sponsored pension plan shall be determined as a level percentage of pensionable earnings for each class of members, subject to any variation that is necessary in order to take into account integration with the *Canada Pension Plan* or the *Quebec Pension Plan*.

7. If the required contribution rate set out in a report filed under section 3 or 14 in respect of a jointly sponsored pension plan is higher than the required contribution rate determined in the last report filed under section 3, 13 or 14, the required contribution rate may be increased each year for up to three years, commencing not later than 12 months after the valuation date, by at least one third of the difference between the two contribution rates, but only if,
- i. the contribution rate after that period is a level percentage of pensionable earnings, subject to any variation that is necessary in order to take into account integration with the *Canada Pension Plan* or the *Quebec Pension Plan*, and
 - ii. the present value of the required contributions using the increased rates is not less than,
 - A. the present value of the contributions that would be made for the normal cost for the plan if the benefit allocation method were used, after the application of any actuarial gains to reduce the normal cost in accordance with subsection 7 (3), if paragraph 1.2 applies,
 - B. if the report has a valuation date on or after December 31, 2017, the sum of the present value of the contributions that would be made in respect of the normal cost for the plan and the provision for adverse deviations in respect of the normal cost for the plan if the benefit allocation method were used, after the application of any available actuarial surplus to reduce the normal cost or the amount equal to the provision for adverse deviations in respect of the normal cost in accordance with subsection 7.0.3 (1) or, if the pension plan is a jointly sponsored pension plan listed in subsection 1.3.1 (3), after the application of any actuarial gains to reduce the normal cost in accordance with subsection 7 (3), if paragraph 1.2.1 applies,
 - C. the sum of the present value of the normal cost and the present value of the special payments determined in accordance with section 5 that would be required to liquidate any going concern unfunded liability determined using the benefit allocation method, if paragraph 2 applies, or
 - D. if the report has a valuation date on or after December 31, 2017, the sum of the present value of the normal cost, the present value of the amount equal to the provision for adverse deviations in respect of the normal cost and the present value of the special payments determined in accordance with section 5 that would be required in respect of any plan amendment that increases going concern liabilities or in respect of any going concern unfunded liability determined using the benefit allocation method, if paragraph 2.0.1 applies.
8. For the purposes of paragraph 7, the determination of whether the required contribution rate set out in the report is higher than the required contribution rate determined in the last filed report shall be made without taking into account the ability to increase required contribution rates each year for up to three years under that paragraph, and without taking into account the ability to carry forward amounts under paragraph 10 to reduce those increases.
9. The present values referred to in subparagraph 7 ii shall be calculated using the same period as was used to calculate the present values referred to in paragraph 1.2, 1.2.1, 2 or 2.0.1, whichever is applicable.
10. If paragraph 7 permits the required contribution rate to be increased each year for up to three years and the amount of any increase in the first or second year exceeds one third of the difference between the required contribution rate set out in the report and the required contribution rate determined in the last filed report, the excess may be carried forward to the following year or years and used to reduce the increases in the following year or years, as long as the present value of the required contributions using the increased rates, as adjusted, is not less than the present value referred to in sub-subparagraph 7 ii A, B, C or D, whichever is applicable. O. Reg. 116/06, s. 4 (5); O. Reg. 570/06, s. 2 (1-10); O. Reg. 178/12, s. 3 (2, 3); O. Reg. 329/12, s. 2 (2-9); O. Reg. 250/18, s. 9 (7-18).

(2.4) If, in accordance with subsection (2.2), the amount of contributions required to be made to a pension plan that provides defined benefits is determined by using an actuarial cost method other than a benefit allocation method, the payments to the pension fund or to an insurance company, as applicable, shall not be less than the sum of,

(a) the required contributions determined using the actuarial cost method; and

(b) all special payments determined in accordance with section 5 with respect to any solvency deficiency and any reduced solvency deficiency. O. Reg. 116/06, s. 4 (5); O. Reg. 250/18, s. 9 (19); O. Reg. 533/21, s. 2 (3).

(2.5) If the amount of contributions required to be made to a pension plan that provides defined benefits is determined in accordance with subsection (2.2) using an actuarial cost method other than a benefit allocation method, the contributions shall be deemed to be the contributions required to be made under this Regulation and the definitions in section 1 shall apply with necessary modifications. O. Reg. 116/06, s. 4 (5).

(2.6) If a report filed under section 3 or 14 discloses, in respect of a jointly sponsored pension plan for which a benefit allocation method is used to set contribution rates, that an increase in the normal cost is required or that an increase is required in the amount of contributions that were previously reduced under subsection 7 (3), payment of that increase shall commence on a date not later than 12 months after the valuation date. O. Reg. 570/06, s. 2 (11).

(2.6.1) If a report filed under section 3 or 14 with a valuation date on or after December 31, 2017 discloses, in respect of a jointly sponsored pension plan for which a benefit allocation method is used to set contribution rates, that an increase in the normal cost is required, an increase in the amount equal to the provision for adverse deviations in respect of the normal cost is required or an increase is required in the amount of contributions that were previously reduced under subsection 7 (3) or subsection 7.0.3 (1), payment of that increase shall commence on a date not later than 12 months after the valuation date. O. Reg. 250/18, s. 9 (20).

(2.7) If a report filed under section 3 or 14 discloses that there is a going concern unfunded liability that is required to be liquidated in respect of a jointly sponsored pension plan for which a benefit allocation method is used to set the contribution rates, the special payments in respect of the going concern unfunded liability, as determined in accordance with subsection 5 (1.2), may be increased each year for up to three years, commencing not later than 12 months after the valuation date, by at least one third of the special payments, but only if,

(a) the special payments after that period are a level percentage of pensionable earnings for each class of members, subject to any variation that is necessary in order to take into account integration with the *Canada Pension Plan* or the *Quebec Pension Plan*; and

(b) the present value of the special payments, including the increased special payments, over the amortization period is not less than the amount of the going concern unfunded liability. O. Reg. 570/06, s. 2 (12); O. Reg. 178/12, s. 3 (4).

(2.7.1) If subsection (2.7) permits the special payments in respect of the going concern unfunded liability, as determined in accordance with subsection 5 (1.2), to be increased each year for up to three years, and the amount of any increase in the first or second year exceeds one third of the special payments, the excess may be carried forward to the following year or years and used to reduce the increases in the following year or years, as long as the present value of the special payments, including the increased special payments, as adjusted, over the amortization period is not less than the amount of the going concern unfunded liability. O. Reg. 570/06, s. 2 (13).

(2.8) In the case of a jointly sponsored pension plan, contributions referred to in subsection 39 (3) of the Act include contributions made by a member in respect of,

- (a) any going concern unfunded liability;
- (b) any amendment that increases going concern liabilities;
- (c) the provision for adverse deviations in respect of the normal cost; and
- (d) any solvency deficiency or reduced solvency deficiency. O. Reg. 250/18, s. 9 (21); O. Reg. 533/21, s. 2 (4).

(3) Where there is a prior year credit balance, the employer may apply the prior year credit balance to reduce the payments required under clauses (2) (b), (b.1), (c) and (d). O. Reg. 712/92, s. 3 (1); O. Reg. 329/12, s. 2 (10); O. Reg. 250/18, s. 1, 9 (22); O. Reg. 533/21, s. 2 (5).

(3.1) Subsection (3) does not apply if the pension plan provides defined benefits and a benefit allocation method is not used to set contribution rates. O. Reg. 116/06, s. 4 (6).

(3.2) If employer contributions to a pension plan during the specified period in respect of the most recently filed or submitted report are in excess of the contributions the report requires in respect of the specified period, the employer may apply the amount of the excess contributions to reduce any payment otherwise required in respect of the pension plan under the report for the period beginning on the day the report is filed or submitted and ending on the earlier of the last day of the fiscal year in which the report is filed or submitted and the filing date of the subsequent report. O. Reg. 105/19, s. 5 (2).

(3.3) Subsection (3.2) does not apply if the most recently filed or submitted report is filed or submitted more than 12 months after the valuation date of the report, even if an extension for the filing or submission of the report is granted by the Chief Executive Officer under section 105 of the Act. O. Reg. 105/19, s. 5 (2); O. Reg. 149/19, s. 1.

(3.4) Subsection (3.2) does not apply to a jointly sponsored pension plan. O. Reg. 105/19, s. 5 (2).

(4) The payments referred to in subsections (2) and (2.4) shall be made by the employer or, if a person or entity is required to make contributions on behalf of the employer, by that person or entity and, if applicable, by the members of the pension plan within the following time limits:

1. All sums received by the employer from an employee, including money withheld by payroll deduction or otherwise from the employee, as the employee's contribution to the pension plan, within thirty days following the month in which the sum was received or deducted.
2. REVOKED: O. Reg. 116/06, s. 4 (8).
3. In the case of a pension plan that provides defined benefits, employer contributions in respect of the normal cost reported under clause 13 (1) (a) or 14 (7) (a) for each period covered by a report beginning on or after the 1st day of January, 1988, in monthly instalments within 30 days after the month for which contributions are payable, the amount of the instalments to be either a total fixed dollar amount, a fixed dollar amount for each employee or member of the plan or a fixed percentage either of the portion of the payroll related to members of the plan or of employee contributions.

- 3.0.1 In the case of a pension plan that provides defined benefits, employer contributions for the normal cost reported under clause 13 (1) (a), clause 14 (7) (a) or clause 14 (8.0.2) (a) and contributions for the provision for adverse deviations in respect of the normal cost reported under subclause 13 (1) (b.1) (ii) or subclause 14 (8.0.2) (c) (ii) for each period covered by a report beginning on or after December 31, 2017, in monthly instalments within 30 days after the month for which contributions are payable, the amount of the instalments to be either a total fixed dollar amount, a fixed dollar amount for each employee or member of the plan or a fixed percentage either of the portion of the payroll related to members of the plan or of employee contributions.
- 3.1 Where all the pension benefits provided under the plan are defined contribution benefits, employer contributions for the plan's fiscal year, in monthly instalments within 30 days after the month for which contributions are payable, the amount of the instalments to be either a total fixed dollar amount, a fixed dollar amount for each employee or member of the plan or a fixed percentage either of the portion of the payroll related to members of the plan or of employee contributions.
4. REVOKED: O. Reg. 116/06, s. 4 (8).
5. All special payments determined in accordance with section 5, subsection 31 (5) and subsection 35 (5) in equal monthly instalments in accordance with the times for payment set out in sections 5, 31 and 35.
6. All special payments determined in accordance with subsections 31 (1) and (2), section 32 and subsection 35 (3), by annual instalment in accordance with the times for payment set out in sections 31, 32 and 35. O. Reg. 712/92, s. 3 (1); O. Reg. 386/04, s. 1; O. Reg. 116/06, s. 4 (7); O. Reg. 250/18, s. 9 (23-25).
- (5) Subject to subsections (10) and (11), if the period covered by a report filed under section 3, 13 or 14 or submitted under this section has ended, and no report covering a subsequent period is filed under section 14 or submitted under this section, the employer or, if a person or entity is required to make contributions on behalf of the employer, that person or entity and, if applicable, the members of the pension plan shall continue to make payments in accordance with the report most recently filed or submitted under section 3, 13 or 14 or this section. O. Reg. 116/06, s. 4 (9); O. Reg. 178/12, s. 3 (6).
- (6) The Chief Executive Officer may cause a report on a plan to be prepared where,
- (a) a report required under section 3, 13 or 14 on the plan has not been filed within one year after the time required by this Regulation; and
- (b) the Chief Executive Officer is of the opinion that the preparation of a report in accordance with subsection (7) is necessary to ensure that the plan is sufficiently funded to provide the benefits under the plan. O. Reg. 712/92, s. 3 (2); O. Reg. 307/98, s. 2 (1); O. Reg. 144/00, s. 4 (1); O. Reg. 149/19, s. 1.
- (7) A report under subsection (6) must contain the information required by section 3, 13 or 14, whichever applies. O. Reg. 144/00, s. 4 (2).
- (7.1) A report under subsection (6) must be prepared by an actuary chosen by the Chief Executive Officer and must be submitted by the actuary to the Chief Executive Officer. O. Reg. 144/00, s. 4 (2); O. Reg. 149/19, s. 1.
- (8) If, during the preparation of a report on a plan, under this section, the Chief Executive Officer forms the opinion that the report is no longer necessary to ensure that the plan is sufficiently funded to provide the benefits under the plan, the Chief Executive Officer may cause work on the report to cease and the actuary need not submit the report to the Chief Executive Officer. O. Reg. 712/92, s. 3 (2); O. Reg. 307/98, s. 2 (3); O. Reg. 149/19, s. 1.

(9) If a report is submitted to the Chief Executive Officer under subsection (7.1), the employer or, if another person or entity is required to make contributions on behalf of the employer, that person or entity and, if applicable, the members of the pension plan shall make payments in accordance with the report. O. Reg. 116/06, s. 4 (10); O. Reg. 149/19, s. 1.

(10) Except as provided in subsection (11), if a payment requirement set out in a report submitted under subsection (7.1) concerning a plan differs from a payment requirement set out in a report filed by the administrator, the employer or, if another person or entity is required to make contributions on behalf of the employer, that person or entity and, if applicable, the members of the pension plan shall make payments in accordance with the higher requirement. O. Reg. 116/06, s. 4 (10).

(11) If, in the opinion of the Chief Executive Officer, a payment in accordance with the higher requirement under subsection (10) is not necessary to ensure that the plan is sufficiently funded to provide benefits under the plan, the payments shall be made in accordance with the lower requirement. O. Reg. 116/06, s. 4 (10); O. Reg. 149/19, s. 1.

(12) REVOKED: O. Reg. 144/00, s. 4 (3).

(13) This section does not apply to a pension plan described in subsection 6 (1) unless it is a jointly sponsored pension plan. O. Reg. 116/06, s. 4 (11).

Deferral of certain contributions to 2021

4.1 (1) An employer of a pension plan that is not an ineligible plan, as described in subsection (25), may elect to defer one or more of the monthly payments of employer contributions that are due during the period beginning on October 1, 2020 and ending on March 31, 2021 in respect of the following:

1. Normal cost.
2. The provision for adverse deviations in respect of the normal cost.
3. All special payments determined in accordance with section 5. O. Reg. 520/20, s. 1 (1).

(2) An election under subsection (1) must,

- (a) be filed with the Chief Executive Officer in writing, and accompanied by the schedule described in subsection (3), no later than the date on which the contributions for the first deferred month are due; and
- (b) specify which monthly payment or payments are deferred and, if more than one monthly payment is deferred, the deferred payments must be in respect of consecutive months. O. Reg. 520/20, s. 1 (1).

(3) If an employer makes an election under this section to defer one or more monthly payments, subsection 4 (4) does not apply in respect of the payment or payments and instead the deferred payments shall be made in accordance with a schedule prepared by an actuary that satisfies the following requirements:

1. The schedule must set out the contributions for each deferred month, determined by the actuary, in respect of the following:
 - i. Normal cost.
 - ii. The provision for adverse deviations in respect of the normal cost.

- iii. Special payments determined in accordance with section 5.
2. The schedule must set out the amounts and dates on which the employer will make the deferred payments, and the amounts and dates chosen must comply with the following:
 - i. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of October 2020 shall be made, with interest, no later than April 30, 2021 and the remaining amount shall be made, with interest, no later than May 31, 2021.
 - ii. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of November 2020 shall be made, with interest, no later than June 30, 2021 and the remaining amount shall be made, with interest, no later than July 31, 2021.
 - iii. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of December 2020 shall be made, with interest, no later than August 31, 2021 and the remaining amount shall be made, with interest, no later than September 30, 2021.
 - iv. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of January 2021 shall be made, with interest, no later than October 31, 2021 and the remaining amount shall be made, with interest, no later than November 30, 2021.
 - v. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of February 2021 shall be made, with interest, no later than December 31, 2021 and the remaining amount shall be made, with interest, no later than January 31, 2022.
 - vi. 50 per cent of the total amount of the payments that would have been required to be made under subsection 4 (4) in the month of March 2021 shall be made, with interest, no later than February 28, 2022 and the remaining amount shall be made, with interest, no later than March 31, 2022.
 3. The schedule must set out the following information, determined by the actuary, in respect of the pension plan as of the first day of the month in which the election is filed:
 - i. The estimated transfer ratio.
 - ii. The solvency assets.
 - iii. The prior year credit balance.
 - iv. The estimated solvency liabilities.
 - v. Estimated liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities. O. Reg. 520/20, s. 1 (1).

(4) For clarity, nothing in this section affects an employer's, or if a person or entity is required to make contributions on behalf of the employer, that person or entity's obligation under subsection 4 (4) in respect of payments required in respect of the period beginning on April 1, 2021 and ending on March 31, 2022. O. Reg. 520/20, s. 1 (1).

(5) For the purposes of paragraph 2 of subsection (3), interest payable in respect of a deferred payment for a particular month begins to accrue on the day on which the payment is, but for the election under this section, required to be made under subsection 4 (4) and ends on the last day of the month in which the payment is required to be made in accordance with the payment schedule. O. Reg. 520/20, s. 1 (1).

(6) The interest on the deferred payments shall be calculated at the going concern interest rate or the solvency valuation interest rate, whichever applies in the circumstances, set out in the most recently filed or submitted report under section 3, 4, 13 or 14. O. Reg. 520/20, s. 1 (1).

(7) An update to the payment schedule shall be prepared in accordance with the following rules:

1. The first update must be prepared by an actuary as of the last day of the month that is the third month following the month in which the date on which the first deferred payment would have been required to have been made under subsection 4 (4) had the election not been made. The administrator shall give the update to the Chief Executive Officer no later than 30 days after the last day of the third month.
2. Subject to paragraph 3, a subsequent update must be prepared by an actuary as of the last day of the third month following the month which included the date as of which the first update was required to be prepared, and subsequent updates must be prepared by an actuary on the last day of every third month thereafter. The administrator shall give the update to the Chief Executive Officer no later than 30 days after the last day of the particular month.
3. No further updates are required after an update has been given to the Chief Executive Officer that indicates that all deferred payments with interest have been made.
4. Each update must contain the following information:
 - i. Information respecting the following:
 - A. The amount of deferred payments made and interest paid into the pension fund during the three-month period to which the update relates.
 - B. The amount of the deferred payments to be made and interest to be paid into the pension fund for each of the following that remain outstanding at the end of the three-month period to which the update relates:
 1. Normal cost.
 2. The provision for adverse deviations in respect of the normal cost.
 3. Special payments determined in accordance with section 5.
 - ii. The following information in respect of the pension plan as of the day on which the update is prepared:
 - A. The pension plan's estimated transfer ratio.

B. The pension plan's solvency assets.

C. The prior year credit balance.

D. The pension plan's estimated solvency liabilities.

E. Estimated liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities.

iii. A statutory declaration that is made by an officer of the employer, in a form satisfactory to the Chief Executive Officer, indicating that the employer has complied with the payment schedule with respect to the three-month period to which the update relates and has been in compliance with subsection (11) during that period. O. Reg. 520/20, s. 1 (1).

(8) For the purposes of subparagraph 4 iii of subsection (7), the statutory declaration described in that subparagraph shall be provided by the employer to the administrator within 15 days before the update is required to be provided by the administrator to the Chief Executive Officer. O. Reg. 520/20, s. 1 (1).

(9) Despite subsection (3), an employer may, at any time, pay an amount equal to the total amount of the deferred payments that remain unpaid, with interest, into the pension fund and if the employer does so, the employer is no longer required to comply with the requirements of this section, including the payment schedule, as of the day the amount is paid into the pension fund. O. Reg. 520/20, s. 1 (1).

(10) For the purposes of subsection (9), and despite subsection (5), interest that has accrued in respect of a deferred payment for a particular month in accordance with subsection (5) ends on the last day of the month in which the payment is made and not on the day specified in subsection (5). O. Reg. 520/20, s. 1 (1).

(11) An employer who makes an election under this section shall not do any of the following on or after the day the election is filed and ending on the day on which all of the deferred payments are made and interest is paid in accordance with this section:

1. Declare or pay any amount, whether as a dividend or a return of capital, on any issued and outstanding share capital of the employer.
2. Buy back or otherwise purchase or redeem any issued and outstanding share capital of the employer.
3. Pay a bonus, however described, whether non-discretionary or discretionary, and whether in cash or otherwise, to any executive of the employer.
4. Increase the compensation of any executive of the employer.
5. Repay the principal amount of any debt or other obligation of the employer in excess of amounts previously scheduled and agreed to before September 21, 2020.
6. Pay or credit any amount as a loan or advance to or for the benefit of,
 - i. any person or entity that beneficially owns any issued and outstanding share capital of the employer or of any related person or entity of the beneficial owner, or
 - ii. any executive of the employer and any related person or entity of the executive.

7. Enter into any transaction with a related person or entity in the normal course of business and under terms and conditions that are less favourable to the employer than market terms and conditions. O. Reg. 520/20, s. 1 (1).

(12) For clarity, an employer has contravened any of paragraphs 1 to 6 of subsection (11) regardless of whether the terms and conditions of the transaction or action are less, equally or more favourable to the employer as compared to market terms and conditions. O. Reg. 520/20, s. 1 (1).

(13) If the employer does any of the following, the amount equal to the total amount of deferred payments that remain unpaid shall be treated as if they were not deferred under this section and shall immediately become due and payable to the pension fund, with interest calculated in accordance with subsection (14):

1. The employer fails to comply with the payment schedule.
2. The employer fails to provide the administrator with a statutory declaration as required by subsection (8).
3. The employer fails to comply with subsection (11).
4. The employer, or if a person or entity is required to make contributions on behalf of the employer, that person or entity fails to make any of the payments required to be made under subsection 4 (4) in respect of the period beginning on April 1, 2021 and ending on March 31, 2022. O. Reg. 520/20, s. 1 (1).

(14) For the purposes of subsection (13), and despite subsection (5), interest that has accrued in respect of a deferred payment for a particular month in accordance with subsection (5) ends on the last day of the month in which the payment is made and not on the day specified in subsection (5). O. Reg. 520/20, s. 1 (1).

(15) Any special payments determined in accordance with section 5 that are deferred by the employer under this section, including interest on these deferred special payments, are deemed not to be excess special payments for purposes of subsection 37 (12). O. Reg. 520/20, s. 1 (1).

(16) The administrator shall not file an amendment to the plan to increase pension benefits or ancillary benefits until after all of the deferred payments are made and interest is paid in accordance with this section, unless the amendment is made to confer a benefit improvement that is required by law or the amendment implements a benefit improvement agreed to in a collective agreement before September 21, 2020. O. Reg. 520/20, s. 1 (1).

(17) Subsection (16) applies, whether the benefit improvement is effective before or after September 21, 2020. O. Reg. 520/20, s. 1 (1).

(18) The following rules apply to a report under section 3, 4 or 14 that is filed or submitted on or after the day on which the election is filed under this section and before the day on which all the deferred payments are made and interest is paid in accordance with this section:

1. The report must include a schedule setting out, as of the valuation date, the amount of the deferred payments for each of the following that remain outstanding:
 - i. Normal cost.
 - ii. The provision for adverse deviations in respect of the normal cost.
 - iii. Special payments determined in accordance with section 5.

2. In respect of the deferred payments that were, before they were deferred, due on or after the valuation date and were made on or after the valuation date, the report must also include the amount of the deferred payments, with interest, that would have been required under the report.
3. Payments that have been deferred and, before they were deferred, were due before the date the report was filed or submitted, cannot be reduced and, without limiting the generality of the foregoing, any solvency special payments that are deferred may not be reduced by applying the solvency excess under subsection 5 (17.1) and any going concern special payments that are deferred may not be reduced by applying the going concern excess under section 7.0.1. O. Reg. 520/20, s. 1 (1).

(19) In respect of a report under section 3, 4 or 14 that is filed or submitted on or after the day on which the election is filed under this section and for which the valuation date of the report is before the day on which all the deferred payments are made and interest is paid in accordance with this section, the following rules apply in respect of contributions that were, before they were deferred under this section, due before the valuation date:

1. Clause (a) of the definition of "going concern assets" in subsection 1 (2) includes the present value of all deferred payments that have not been made as of the valuation date, except deferred payments in respect of special payments for any solvency deficiency or reduced solvency deficiency that were, before they were deferred, due after the valuation date.
2. In respect of a pension plan for which a benefit allocation method is used, the solvency asset adjustment must include the present value of all deferred payments that have not been made as of the valuation date.
3. In respect of a pension plan for which a benefit allocation method is not used, the definition of "C" in subsection 1.2 (2) and the definition of "E" in subsection 1.2 (2.2) must not include the value of deferred payments that have not been made as of the valuation date.
4. In respect of a pension plan for which a benefit allocation method is not used, the definition of "D" in subsection 1.2 (2.1) must include the present value of all deferred payments relating to solvency payments that have not been made as of the valuation date. O. Reg. 520/20, s. 1 (1); O. Reg. 533/21, s. 3.

(20) In the annual statement to be given to members of the pension plan under subsection 27 (1) of the Act and in the biennial statement to be given to the former members and retired members of the pension plan under subsection 27 (2) of the Act, in addition to the information required by section 40, 40.1 or 40.2 of this Regulation, as the case may be, the administrator shall include a statement that the employer has elected to defer the payment of certain contributions and the date by which all the deferred payments will be made by the employer, with interest. O. Reg. 520/20, s. 1 (1).

(21) Subsection (20) applies on and after the day the election is filed under this section and before the day on which all the deferred payments are made and interest is paid in accordance with this section. O. Reg. 520/20, s. 1 (1).

(22) The following additional rules apply if the valuation date of a report referred to in subsection 12 (1) is before March 31, 2021:

1. The amounts required to be paid under subsection 12 (2) shall be calculated as if the deferred payments, as determined under the report, that are required to be made in accordance with the payment schedule after the report is filed or submitted were made on the dates that they would have been required to be made if they had not been deferred.
2. If any deferred payments are in respect of a month or part of a month that falls after the filing date, the following rules apply:
 - i. A new schedule shall be prepared by an actuary setting out the information required under paragraph 2 of subsection (3) in respect of the deferred payments that are required to be made in accordance with the original schedule after the filing date, reflecting the amounts set out in the report.

- ii. The employer shall file the new schedule with the Chief Executive Officer no later than the date on which the report is filed.
- iii. As of the date the new schedule is filed, the payment schedule originally prepared under subsection (3) is deemed to no longer be the payment schedule for the purposes of this section and the new schedule is deemed to be the payment schedule for the purposes of this section. O. Reg. 520/20, s. 1 (1).

(23) The following modifications to subsection 5 (16) apply:

1. The total amount of contributions referred to in the definition of “B” shall not include any payments made in respect of interest on contributions that are deferred under this section.
2. The total amount of contributions referred to in the definition of “C” shall not include any contributions required to be made that were deferred and not yet made as of the valuation date for the report or actuarial cost certificate being prepared, but shall include the value of required contributions that were due before the valuation date for the report or actuarial cost certificate being prepared but were deferred under this section until after the valuation date of the last report or actuarial cost certificate filed or submitted in respect of the plan under this Regulation. O. Reg. 520/20, s. 1 (1).

(24) For the purposes of subsection 4 (3.2), the amount of the excess contributions in respect of any deferred payments made under this section is equal to the difference between the contributions made, including interest, and the amount of the deferred payments, including interest, that would have been required to be made if the deferred payments had been made based on the report being filed. O. Reg. 520/20, s. 1 (1).

(25) A plan is an ineligible plan for the purposes of subsection (1) if any of the following apply:

1. The employer of the plan has done any of the things described in paragraphs 1 to 7 of subsection (11) on or after September 21, 2020, except if the employer had a contractual obligation under an agreement that was executed before September 21, 2020 to do the thing before an election is made under this section.
2. The plan does not provide defined benefits.
3. The plan is a multi-employer pension plan.
4. The plan is a jointly sponsored pension plan listed in subsection 1.3.1 (3).
5. The plan is a public sector pension plan as defined in subsection 1 (1) of the Act.
6. The plan is a “designated plan” as defined in subsection 1 (1).
7. The plan is an “individual pension plan” as defined in subsection 1 (1).
8. Not all the contributions set out in reports filed or submitted under section 3, 13 or 14 that were required to be made before the day the election is filed under this section in respect of the plan have been made in accordance with the Act and the regulations.
9. The plan is any of the plans described in the definitions of “main pension plans” and “new pension plans” in subsection 2 (1) of Ontario Regulation 255/17 (Stelco Inc. Pension Plans).
10. The plan is the “Hourly Employees Plan” or the “Salaried Employees Plan” as defined in subsection 2 (1) of Ontario Regulation 484/18 (Essar Steel Algoma Inc. Pension Plans for Salaried Employees and Hourly Employees).
11. The plan is the “Wrap Plan” as defined in subsection 2 (1) of Ontario Regulation 207/19 (The Essar Steel Algoma Inc. Wrap Pension Plan).

12. The plan is a plan set out in section 1 of Ontario Regulation 321/09 (General Motors Pension Plans). O. Reg. 520/20, s. 1 (1).

(26) In this section,

“compensation” means anything paid or provided, directly or indirectly, to or for the benefit of a person who performs duties and functions that entitle the person to be paid, and includes salary, benefits, perquisites and all forms of non-discretionary and discretionary payments, but does not include bonuses; (“rémunération”)

“executive” means, in respect of an employer, an employee or office holder who is, a chief executive officer, president, vice president, chief administrative officer, chief operating officer, chief financial officer, chief information officer, chief legal officer, chief human resources officer or chief development officer of the employer or holds any other executive position or office with the employer, regardless of the title of the position or office; (“cadre supérieur”)

“payment schedule” means the schedule required under subsection (3) or that is deemed to be the payment schedule by subparagraph 2 iii of subsection (22); (“calendrier de paiement”)

“related person or entity” means,

(a) in relation to an employer,

- (i) an employee, officer, director or executive of the employer,
- (ii) if the employer is a corporation, a person or entity who directly or indirectly holds, or together with the spouse or a child of the person holds, more than 10 per cent of the voting shares carrying more than 10 per cent of the voting rights attached to all voting securities of the corporation,
- (iii) the spouse or a child of any person referred to in any of subclauses (i) and (ii),
- (iv) if the employer is a corporation, an affiliate, within the meaning of the *Business Corporations Act* or the *Not-for-Profit Corporations Act, 2010*, of the employer,
- (v) a corporation that is directly or indirectly controlled by a person referred to in any of subclauses (i) to (iii),
- (vi) an entity in which a person referred to in subclause (i) or (ii), or the spouse or a child of such a person, has a substantial investment, or
- (vii) an entity that holds a substantial investment in the employer,

(b) in relation to a beneficial owner,

- (i) an employee, officer, director or executive of the beneficial owner,
- (ii) if the beneficial owner is a corporation, a person or entity who directly or indirectly holds, or together with the spouse or a child of the person holds, more than 10 per cent of the voting shares carrying more than 10 per cent of the voting rights attached to all voting securities of the corporation,
- (iii) the spouse or a child of any person referred to in any of subclause (i) or (ii),
- (iv) if the beneficial owner is a corporation, an affiliate, within the meaning of the *Business Corporations Act* or the *Not-for-Profit Corporations Act, 2010*, of the beneficial owner,
- (v) a corporation that is directly or indirectly controlled by a person referred to in any of subclauses (i) to (iii),
- (vi) an entity in which a person referred to in subclause (i) or (ii), or the spouse or a child of such a person, has a substantial investment, or
- (vii) an entity that holds a substantial investment in the beneficial owner, and

(c) in relation to an executive,

- (i) the spouse or child of the executive,
- (ii) a corporation in which the executive directly or indirectly holds, or together with the spouse or a child of the executive holds, more than 10 per cent of the voting shares carrying more than 10 per cent of the voting rights attached to all voting securities of the corporation,
- (iii) a corporation that is directly or indirectly controlled by the executive or by a person referred to in subclause (i), or
- (iv) an entity in which the executive, the spouse or a child of the executive, has a substantial investment. (“personne ou entité apparentée”) O. Reg. 520/20, s. 1. (1-3)

(27) REVOKED: O. Reg. 520/20, s. 1 (4).

Special payments – general

5. (0.1) REVOKED: O. Reg. 533/21, s. 4 (1).

(1) Except as otherwise provided in this section and in sections 4 and 7, the special payments required to be made shall be not less than the sum of,

(a) REVOKED: O. Reg. 178/12, s. 4 (2).

(b) the special payments required to liquidate any going concern unfunded liability, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 15 years beginning on the valuation date of the report in which the going concern unfunded liability was determined; and

(c), (d) REVOKED: O. Reg. 178/12, s. 4 (4).

(e) with respect to any solvency deficiency arising on or after November 26, 1992, the special payments required to liquidate the solvency deficiency, with interest at the rates described in subsection (2), by equal monthly instalments over the period beginning on the valuation date of the report in which the solvency deficiency was determined and ending on the 31st day of December, 2002, or five years, whichever is longer. O. Reg. 712/92, s. 4; O. Reg. 178/12, s. 4 (1-5).

(1.0.0.1) After a report is filed with a valuation date on or after December 31, 2017 for a plan that is not a jointly sponsored pension plan listed in subsection 1.3.1 (3), except as otherwise provided in this section and in sections 4, 7 and 7.0.1, the special payments required to be made shall be not less than the sum of,

(a) for the year beginning on the valuation date of the last filed report, the special payments to liquidate any going concern unfunded liability scheduled for that year as determined in the report filed immediately before the last filed report, other than the special payments described in clauses (c) and (d);

(b) for each year after the year described in clause (a), the special payments required to liquidate any going concern unfunded liability determined in the last filed report, other than the special payments described in clauses (c) and (d), with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 10 years beginning one year after the valuation date of the last filed report;

(c) the special payments required to liquidate a past service unfunded actuarial liability that arose on a valuation date of a report filed before May 1, 2018 with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 15 years beginning on the date it arose;

(d) the special payments required to liquidate a past service unfunded actuarial liability that arose on a valuation date of a report filed on or after May 1, 2018, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 10 years beginning on the effective date of the pension plan;

- (e) where a plan amendment increases the going concern liabilities of the plan, the special payments required to liquidate any increase in the going concern liabilities related to the amendment that exceeds the lump sum benefit improvement contribution in respect of the increase, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of eight years beginning on the effective date of the amendment;
- (f) with respect to any reduced solvency deficiency, the special payments required to liquidate the reduced solvency deficiency, with interest at the rates described in subsection (2), by equal monthly instalments over a period of five years beginning on the valuation date of the report in which the reduced solvency deficiency was determined; and
- (g) with respect to any solvency deficiency that arose on a valuation date of a report filed before May 1, 2018, the special payments required to liquidate the solvency deficiency, with interest at the rates described in subsection (2), by equal monthly instalments over a period of five years beginning on the valuation date of the report in which the solvency deficiency was determined.
- (h), (i) REVOKED: O. Reg. 533/21, s. 4 (2).

O. Reg. 250/18, s. 10 (2); O. Reg. 105/19, s. 6 (1); O. Reg. 533/21, s. 4 (2).

(1.0.1) Despite subsection (1) and clauses (1.0.0.1) (f) and (g), if the valuation date of the report is on or after September 30, 2011, the beginning of the amortization period for special payments to liquidate a solvency deficiency, reduced solvency deficiency or going concern unfunded liability referred to in those clauses and determined in the report may be deferred to a day that is not later than 12 months after the valuation date. O. Reg. 250/18, s. 10 (3); O. Reg. 533/21, s. 4 (3).

(1.0.2) Clause (1.0.0.1) (b) applies, and clause (1.0.0.1) (e) does not apply, with respect to an increase in the going concern unfunded liability that results from an amendment that,

- (a) is made to confer a benefit improvement that is required by law;
- (b) is filed before May 1, 2018; or
- (c) implements a benefit improvement agreed to in a collective agreement before May 1, 2018 if the collective agreement is in place immediately before that date. O. Reg. 250/18, s. 10 (3).

(1.1) Despite subsections (1) and (1.0.0.1), in the case of a jointly sponsored pension plan, the special payments may be determined in accordance with subsection (1.2) as of,

- (a) the date the going concern unfunded liability arose, in the case of special payments referred to in clauses (1) (b) and (1.0.0.1) (a), (b), (c) and (d);
- (b) the date of an amendment to a pension plan that increases going concern liabilities, in the case of special payments referred to in clause (1.0.0.1) (e); or
- (c) the date the solvency deficiency or reduced solvency deficiency arose, in the case of special payments referred to in clauses (1) (e) and (1.0.0.1) (f) and (g). O. Reg. 250/18, s. 10 (4); O. Reg. 533/21, s. 4 (4).

(1.2) The special payments referred to in subsection (1.1) are determined under the following rules:

1. Each scheduled payment must be a level percentage of the sum of pensionable earnings of the members of the pension plan at the valuation date projected to the date when the scheduled payments commence and, after that date, projected annually until the end of the amortization period without reference to,
 - i. changes in the membership of the plan that may occur after the valuation date and that arise from termination of employment or membership, the retirement or death of members or the addition of new members to the plan, or

ii. any other changes in the membership of the plan that may occur after the valuation date.

- 1.1 Despite paragraph 1, if there is reason to believe that there will be a material decline in the number of members before the end of the amortization period, the sum in paragraph 1 of the projected pensionable earnings must reflect the expected decline in the sum of projected pensionable earnings.
2. The sum in paragraph 1 of the projected pensionable earnings must be determined based on actuarial assumptions that are consistent with those used to project pensionable earnings in the going concern valuation based on the benefit allocation method.
3. The present value of the scheduled payments at the date described in subsection (1.1) must be equal to the amount of the going concern unfunded liability, increase in going concern liabilities due to an amendment to the pension plan, reduced solvency deficiency or solvency deficiency being liquidated.
4. The amortization periods for each series of scheduled payments must be the same as the respective periods under clauses (1) (b) and (e) and subsection (1.0.0.1), beginning not later than 12 months after the valuation date.
5. The present value of the scheduled payments must be determined,
 - i. with respect to any going concern unfunded liability, using the interest rate or rates used in the report to determine the going concern unfunded liability,
 - ii. for a report with a valuation date on or after December 31, 2017 with respect to any going concern unfunded liability or increase in going concern liabilities due to an amendment to a pension plan, using the interest rate or rates used in the report to determine the going concern unfunded liabilities or increase in going concern liabilities due to the amendment, and
 - iii. with respect to any solvency deficiency or reduced solvency deficiency, using the interest rates used in the report to determine the solvency deficiency or reduced solvency deficiency. O. Reg. 116/06, s. 5 (1); O. Reg. 570/06, s. 3; O. Reg. 250/18, s. 10 (5-7); O. Reg. 533/21, s. 4 (5, 6).

(2) The rates of interest to be used in calculating the special payments under clauses (1) (e) and (1.0.0.1) (f) and (g) with respect to a solvency deficiency or reduced solvency deficiency are the rates used in the report under section 14 in which the solvency deficiency or reduced solvency deficiency was determined for the applicable portions of the amortization period for the special payments. O. Reg. 533/21, s. 4 (7).

(3) If an employer provides a letter of credit under section 55.2 of the Act instead of making payments into the pension fund with respect to a solvency deficiency or reduced solvency deficiency, the employer is required to make interest payments with respect to the solvency deficiency or reduced solvency deficiency, calculated at the rate of interest described in subsection (2), unless the interest payments are included in the amount of the letter of credit. O. Reg. 364/12, s. 3; O. Reg. 250/18, s. 10 (9); O. Reg. 533/21, s. 4 (8).

(4)-(12) REVOKED: O. Reg. 178/12, s. 4 (6).

(13) The prior year credit balance to be used in a report filed under section 13 for a pension plan is zero. O. Reg. 178/12, s. 4 (7); O. Reg. 250/18, s. 1.

(14), (15) REVOKED: O. Reg. 178/12, s. 4 (8).

(16) Subject to subsections (13) and (16.1), the prior year credit balance to be used in any report or actuarial cost certificate required under this Regulation in respect of a plan is the amount calculated using the formula,

$$A + B - C$$

in which,

“A” is the prior year credit balance stated in the last report or actuarial cost certificate filed or submitted in respect of the plan under this Regulation,

“B” is the total amount of contributions made to the plan by an employer or by a person or entity required to make contributions under the plan on behalf of an employer,

(a) after the valuation date of the last report or actuarial cost certificate filed or submitted in respect of the plan under this Regulation, and

(b) before the valuation date for the report or actuarial cost certificate being prepared, and

“C” is the total amount of contributions that, under section 4, would be required to have been made during the period described in the definition of “B” by an employer or by a person or entity required to make contributions under the plan on behalf of an employer if the contributions had been calculated without reference to any prior year credit balance.

O. Reg. 239/09, s. 3; O. Reg. 178/12, s. 4 (9); O. Reg. 250/18, s. 1; O. Reg. 105/19, s. 6 (2, 3).

(16.1) For a report filed under section 3 or 14 or submitted under section 4 that has a valuation date of December 31, 1998 or later, the prior year credit balance may be reduced to an amount that is,

(a) less than the amount otherwise determined in accordance with subsection (16); and

(b) not less than zero. O. Reg. 144/00, s. 5 (2); O. Reg. 250/18, s. 1.

(16.2) Despite subsections (13), (16) and (16.1), if a pension plan provides defined benefits and a benefit allocation method is not used to set the contribution rates, the prior year credit balance to be used in any report filed or submitted in respect of the pension plan shall be zero. O. Reg. 116/06, s. 5 (2); O. Reg. 178/12, s. 4 (10); O. Reg. 250/18, s. 1.

(16.3) REVOKED: O. Reg. 105/19, s. 6 (5).

(17) If, on any valuation date, the sum of the solvency assets and the solvency asset adjustment exceeds the sum of the solvency liabilities, the solvency liability adjustment and the prior year credit balance (such excess being referred to in this subsection as the “solvency excess”), the special payments under clause (1) (e) with respect to solvency deficiencies arising before the valuation date that are scheduled for payment after the valuation date shall be adjusted in accordance with the following rules:

1. Where the solvency excess is greater than or equal to the present value of the special payments under clause (1) (e), the special payments shall be reduced to zero.
2. Where the solvency excess is less than the present value of the special payments under clause (1) (e), the monthly rate of the special payments shall not be changed but the amortization period or periods for the special payments shall be reduced so as to reduce the solvency excess to zero. O. Reg. 178/12, s. 4 (11); O. Reg. 250/18, s. 1.

(17.1) Despite subsection (17), if, on a valuation date on or after December 31, 2017, the sum of the solvency assets and the solvency asset adjustment exceeds the sum of 85 per cent of the solvency liabilities, 85 per cent of the solvency liability adjustment and the prior year credit balance (such excess being referred to in this subsection as the “solvency excess”), the special payments under clauses (1.0.0.1) (f) and (g) with respect to solvency deficiencies or reduced solvency deficiencies arising before the valuation date that are scheduled for payment after the valuation date shall be adjusted in accordance with the following rules:

1. Where the solvency excess is greater than or equal to the present value of the special payments under clauses (1.0.0.1) (f) and (g), the special payments shall be reduced to zero.
2. Where the solvency excess is less than the present value of the special payments under clauses (1.0.0.1) (f) and (g), the monthly rate of the special payments shall not be changed but the amortization period or periods for the special payments shall be reduced so as to reduce the solvency excess to zero.
- 3., 4. REVOKED: O. Reg. 250/18, s. 10 (11).

O. Reg. 250/18, s. 10 (10, 11); O. Reg. 533/21, s. 4 (9-11).

(18) If on November 26, 1992 a plan provides plant closure benefits or permanent layoff benefits, the employer may elect, by filing written notice with the Superintendent within the time set out in subsection (19), to exclude all plant closure benefits and permanent layoff benefits in calculating the solvency liabilities of the plan. O. Reg. 712/92, s. 4; O. Reg. 178/12, s. 4 (12).

(19) An election under subsection (18) shall be made within the time set out in this Regulation for the filing of the first report on the plan after November 26, 1992 under section 3 or 14. O. Reg. 712/92, s. 4; O. Reg. 178/12, s. 4 (13).

(20) At any time after an election is made under subsection (18), the employer may rescind the election by filing written notice. O. Reg. 712/92, s. 4.

(21) A rescission under subsection (20) is effective from the date on which the written notice is filed. O. Reg. 712/92, s. 4.

(22) An employer who has rescinded an election under subsection (18) shall not make any further election under subsection (18) in respect of the plan. O. Reg. 712/92, s. 4.

(23)-(25) REVOKED: O. Reg. 178/12, s. 4 (14).

Letters of credit, deemed reduced solvency deficiency

5.1 (1) For the purposes of applying sections 5.2 to 5.5 and Schedule 4, special payments described in clause 5 (1) (e) or clause 5 (1.0.0.1) (g) to which a letter of credit relates are deemed to be special payments described in clause 5 (1.0.0.1) (f). O. Reg. 105/19, s. 7 (1); O. Reg. 533/21, s. 5 (1).

(2) For the purposes of applying section 55.2 of the Act, a letter of credit in respect of a solvency deficiency is deemed to be in respect of a reduced solvency deficiency. O. Reg. 105/19, s. 7 (1); O. Reg. 533/21, s. 5 (2).

Note: On May 1, 2029, section 5.1 of the Regulation is revoked. (See: O. Reg. 105/19, s. 7 (2))

Letters of credit, s. 55.2 (3) of the Act

5.2 A letter of credit that satisfies the requirements set out in Schedule 4 complies with subsection 55.2 (3) of the Act. O. Reg. 364/12, s. 4.

Letters of credit, application

5.2.1 (1) Section 55.2 of the Act applies with respect to all employers who are required to make payments into a pension plan that provides defined benefits, except as otherwise specified by subsections 55.2 (11) and (12) of the Act and by subsection (2). O. Reg. 364/12, s. 4.

(1.1) Section 55.2 of the Act applies with respect to the following public sector pension plans:

1. City of Ottawa Superannuation Plan, registered under the Act as number 0336701.
2. The Corporation of the City of York Employee Pension Plan, registered under the Act as number 0320622.
3. Metropolitan Toronto Pension Plan, registered under the Act as number 0351577.
4. Metropolitan Toronto Police Benefit Fund, registered under the Act as number 0351585.
- 4.1 Pension Plan for Employees of Kitchener-Waterloo Hospital, registered under the Act as number 0266841.
5. The Toronto Civic Employees' Pension and Benefit Fund, registered under the Act as number 0351593.
6. Toronto Fire Department Superannuation and Benefit Fund, registered under the Act as number 0351601.
7. Retirement Plan for Employees of Youth Services Bureau of Ottawa, registered under the Act as number 0362558.
8. Pension Plan for Professional Staff of University of Guelph, registered under the Act as number 0324616.
9. Retirement Plan of University of Guelph, registered under the Act as number 0324624.
10. The Contributory Pension Plan for TUFA Employees of Trent University, registered under the Act as number 1048826.
11. The Contributory Pension Plan for Employees of Trent University Represented by OPSEU Local 365 and Exempt Administrative Staff of Trent University, registered under the Act as number 0310409. O. Reg. 119/14, s. 2; O. Reg. 37/15, s. 1; O. Reg. 47/17, s. 1; O. Reg. 231/20, s. 1.

(2) Section 55.2 of the Act does not apply with respect to any of the following pension plans:

1. Revoked: O. Reg. 149/19, s. 2.
2. The Essar Steel Algoma Inc. Pension Plan for Hourly Employees registered under the Act as number 1079904.
- 2.1 The Essar Steel Algoma Inc. Pension Plan for Salaried Employees registered under the Act as number 1079896.
- 2.2 The Essar Steel Algoma Inc. Wrap Pension Plan registered under the Act as number 1079888.
3. The Hourly Plan and the Salaried Plan within the meaning of Ontario Regulation 321/09 (General Motors Pension Plans) made under the Act.
4. REVOKED: O. Reg. 105/19, s. 8.

O. Reg. 364/12, s. 4; O. Reg. 328/13, s. 1; O. Reg. 106/14, s. 1; O. Reg. 37/15, s. 1; O. Reg. 486/18, s. 1; O. Reg. 105/19, s. 8; O. Reg. 149/19, s. 2.

Use of letter of credit, s. 55.2 (2) of the Act

5.3 A letter of credit may be provided under subsection 55.2 (2) of the Act to the trustee of a pension fund that is administered under a trust described in clause 54 (c) of this Regulation. O. Reg. 364/12, s. 4.

Letter of credit, determination of solvency liabilities

5.3.1 The following rules apply with respect to the determination of the amount of the solvency liabilities of a pension plan for the purposes of subsection 55.2 (4) of the Act:

1. The amount of the solvency liabilities must be determined as of the valuation date of the report filed most recently under section 3, 4, 13 or 14.
2. The amount of the solvency liabilities must exclude the liabilities described in clauses (a) to (h) of the definition of “solvency liabilities” in subsection 1 (2). O. Reg. 364/12, s. 4.

Letter of credit and notice, s. 55.2 of the Act

5.4 (1) If a letter of credit relates to special payments described in clause 5 (1.0.0.1) (f), the letter of credit must be provided under subsection 55.2 (6) of the Act to the trustee at least 15 days before the first instalment of the special payments to which the letter of credit relates is due. O. Reg. 364/12, s. 4; O. Reg. 105/19, s. 9.

(2) If a letter of credit relates to a payment required by subsection 12 (2), the letter of credit must be provided under subsection 55.2 (6) of the Act to the trustee at least 15 days before the payment is due. O. Reg. 364/12, s. 4.

(3) If a letter of credit is being amended, the amended letter of credit must be provided under subsection 55.2 (6) of the Act to the trustee at least 15 days before any amendment takes effect. O. Reg. 364/12, s. 4.

(4) If a letter of credit is being renewed, notice of the renewal must be provided under subsection 55.2 (6) of the Act to the trustee at least 15 days before the date on which the letter of credit would have expired. O. Reg. 364/12, s. 4.

(5) If a letter of credit is being replaced by another letter of credit, the replacement letter of credit must be provided under subsection 55.2 (6) of the Act to the trustee at least 15 days before the original letter of credit expires. O. Reg. 364/12, s. 4.

(6) Within five days after receiving a copy of the letter of credit, the amended letter of credit, the replacement letter of credit or the notice of the renewal of the letter of credit, the administrator shall give the Chief Executive Officer the notice required by subsection 55.2 (7) of the Act by filing the following documents:

1. A certified copy of the letter of credit, the amended letter of credit, the replacement letter of credit or the notice of the renewal.
2. A certificate indicating whether the letter of credit satisfies the requirements of the Act and regulations and the requirements of the *Income Tax Act* (Canada). O. Reg. 364/12, s. 4; O. Reg. 149/19, s. 1.

Letter of credit — demand for payment

5.5 (1) The trustee who holds a letter of credit in trust for a pension plan is required by subsection 55.2 (9) of the Act to demand payment of the amount of the letter of credit into the pension fund by the issuer if any of the following circumstances exist:

1. If the letter of credit does not satisfy the requirements of the Act and regulations or the requirements of the *Income Tax Act* (Canada).
2. If the administrator of the pension plan gives written notice to the trustee that the employer intends to wind up the pension plan under subsection 68 (1) of the Act.
3. If the Chief Executive Officer issues an order under subsection 69 (1) of the Act requiring the wind up of the pension plan.
4. If the employer is subject to bankruptcy proceedings under the *Bankruptcy and Insolvency Act* (Canada).
5. If an application or petition has been filed under the *Winding-up and Restructuring Act* (Canada) by the employer or against the employer.
6. If, under the terms of an agreement under section 100 of the Act between the Crown and a designated jurisdiction whose pension benefits legislation applies to the pension plan, the trustee is otherwise required to demand payment of the amount of the letter of credit.
7. If, under the terms of the trust agreement related to the letter of credit, the trustee is otherwise required to demand payment of the amount of the letter credit. O. Reg. 364/12, s. 4; O. Reg. 149/19, s. 1.

(2) If the issuer does not pay the amount of the letter of credit upon receiving the trustee's demand,

- (a) the employer must immediately pay that amount into the pension fund; and
- (b) the employer must give written notice to the Chief Executive Officer that the issuer has not paid the amount of the letter of credit. O. Reg. 364/12, s. 4; O. Reg. 149/19, s. 1.

5.5.1-5.10 REVOKED: O. Reg. 533/21, s. 6.

PAYMENTS

Multi-employer plans, defined benefit plans with contributions of employer fixed by collective agreement

6. (0.1) REVOKED: O. Reg. 533/21, s. 7 (1).

(1) A multi-employer pension plan established pursuant to a collective agreement or trust agreement or a pension plan that provides defined benefits where the obligation of an employer to contribute to the pension plan is limited to a fixed amount set out in a collective agreement shall include a provision for the funding of pension benefits and any other benefits provided under the plan that sets out the obligation of an employer or any person required to make contributions on behalf of the employer to contribute in respect of the plan. R.R.O. 1990, Reg. 909, s. 6 (1).

(2) An employer or any person required to make contributions on behalf of an employer with respect to a pension plan referred to in subsection (1) shall make payments to the pension fund or the insurance company, as applicable, that are not less than,

- (a) any contributions received from employees including money withheld from an employee, whether by payroll deduction or otherwise as the employee's contribution to the pension plan; and
- (b) such amounts set out in the applicable collective agreement as are required to be paid by the employer or the person required to make contributions on behalf of the employer. R.R.O. 1990, Reg. 909, s. 6 (2).

(3) The payments referred to in subsection (2) shall be made within the following time limits:

1. All sums received by the employer from an employee or deducted from an employee's pay as the employee's contribution to the pension plan, within thirty days after the month in which the sum was received or deducted.
2. All amounts, other than those referred to in paragraph 1, within the time limit specified by the applicable collective agreement but, in any event, within thirty days after the month in which the period of employment giving rise to such payments occurred. R.R.O. 1990, Reg. 909, s. 6 (3).

(4) In the case of a pension plan referred to in subsection (1), the actuary shall, as part of the report required under subsection 3 (1) or section 13 or 14,

- (a) perform such tests as will demonstrate the sufficiency of the contributions required by the collective agreement or agreements to provide for the benefits set out in the plan without consideration of any provision for reduction of benefits set out in the plan; or
- (b) where the contributions are not sufficient to provide the benefits under the plan, propose options available to the administrator of the plan that will have the result that the required contributions will be sufficient to provide the benefits under the plan. R.R.O. 1990, Reg. 909, s. 6 (4).

(4.1) For the purposes of clause (4) (a), the sufficiency of the required contributions is to be determined on the basis of a going concern valuation and a solvency valuation. O. Reg. 489/07, s. 1 (1).

(4.2) For the purposes of clause (4) (a) for a report with a valuation date before December 31, 2017, the required contributions are sufficient if, for each year of the period covered by the report, they are not less than the sum of the following amounts, determined using a benefit allocation method:

1. The normal cost of the plan.
2. The special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability.
3. The special payments set out in a previous report that remain to be paid with respect to any solvency deficiency.
4. The special payments to be paid with respect to any going concern unfunded liability that is determined in the report.
5. The special payments to be paid with respect to any solvency deficiency that is determined in the report. O. Reg. 489/07, s. 1 (1); O. Reg. 250/18, s. 16 (2).

(4.3) For the purposes of clause (4) (a) for a report with a valuation date on or after December 31, 2017, the required contributions are sufficient if, for each year of the period covered by the report, they are not less than the sum of the following amounts, determined using a benefit allocation method:

1. The normal cost of the plan.
2. The amount equal to the provision for adverse deviations in respect of the normal cost of the plan.
3. The special payments set out in a previous report to be paid in the year following the valuation date with respect to any going concern unfunded liability, other than special payments for a past service unfunded actuarial liability set out in a previous report with a valuation date on or after December 31, 2017.
4. The special payments set out in a previous report with a valuation date on or after December 31, 2017 that remain to be paid in respect of any amendment that increases the going concern liabilities or past service unfunded actuarial liability.
5. The special payments set out in a previous report that remain to be paid with respect to any solvency deficiency or reduced solvency deficiency.

6. The special payments to be paid with respect to any going concern unfunded liability that is determined in the report.
7. The special payments to be paid with respect to any plan amendment that increases going concern liabilities or past service unfunded actuarial liability that is determined in the report.
8. The special payments to be paid with respect to any reduced solvency deficiency that is determined in the report. O. Reg. 250/18, s. 16 (3); O. Reg. 533/21, s. 7 (2).

(4.4) If the payments required under subsection (4.3) are greater than they would have been under subsection (4.2) as it read immediately before May 1, 2018, the required contributions are sufficient if, for each year of the period covered by the report, they are not less than the amount calculated using the formula,

$$A - [(A-B) \times C]$$

in which,

“A” is the total of the payments required under subsection (4.3) for the year based on the most recent report filed,

“B” is the total of the payments that would have been required for the year under subsection (4.2) as it read immediately before May 1, 2018,

“C” is the value described in subsection (4.5).

O. Reg. 250/18, s. 16 (3).

(4.5) The value of “C” in the formula in subsection (4.4) is the value determined in accordance with the following:

1. For a pension plan that provides defined benefits where the obligation of the employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement that exists on May 1, 2018:
 - i. The value of “C” is equal to one in the year that is the earlier of,
 - A. 2021, and
 - B. the year in which the collective agreement expires.
 - ii. In any year prior to the year described in subparagraph i, the value of “C” is equal to one.
 - iii. In the year immediately following the year described in subparagraph i, the value of “C” is equal to one.
 - iv. In the year immediately following the year described in subparagraph iii, the value of “C” is equal to 0.667.
 - v. In the year immediately following the year described in subparagraph iv, the value of “C” is equal to 0.333.
 - vi. In any year following the year described in subparagraph v, the value of “C” is zero.

2. For any other pension plan:

- i. In the first year following the valuation date of the first report filed with a valuation date that is on or after December 31, 2017, the value of "C" is equal to one.
- ii. In the year immediately following the year described in subparagraph i, the value of "C" is equal to 0.667.
- iii. In the year immediately following the year described in subparagraph ii, the value of "C" is equal to 0.333.
- iv. In any year following the year described in subparagraph iii, the value of "C" is zero. O. Reg. 250/18, s. 16 (3).

(5) Where an actuary proposes options in accordance with clause (4) (b),

- (a) the actuary shall submit a copy of the report containing the proposed options to the administrator;
- (b) the actuary shall file a copy of the report within thirty days after submitting the report to the administrator and within the time period referred to in subsection 14 (10);
- (c) the administrator shall take such action as will result in the plan meeting the funding requirements of this section within ninety days after the date on which the actuary submitted the report to the administrator; and
- (d) the administrator shall advise the Chief Executive Officer of the action taken in order for the plan to meet the funding requirements of this section within 120 days after the date the actuary submitted the report to the administrator and shall file all documents relevant to the action taken. R.R.O. 1990, Reg. 909, s. 6 (5); O. Reg. 712/92, s. 5; O. Reg. 307/98, s. 3; O. Reg. 489/07, s. 1 (2); O. Reg. 149/19, s. 1; O. Reg. 287/20, s. 2 (1); O. Reg. 287/20, s. 2 (2).

(6) Subsections (1) to (5) do not apply to a multi-employer pension plan that is a jointly sponsored pension plan. O. Reg. 116/06, s. 8.

SPECIFIED ONTARIO MULTI-EMPLOYER PENSION PLANS

Status as specified Ontario multi-employer pension plan

6.0.1 (1) A multi-employer pension plan is a specified Ontario multi-employer pension plan,

- (a) if the administrator files an election with the Chief Executive Officer in accordance with section 6.0.3 declaring the plan to be a specified Ontario multi-employer pension plan; and
- (b) if the plan is eligible to be a specified Ontario multi-employer pension plan under either subsection 6.0.2 (1) or (1.1) when the election is filed. O. Reg. 489/07, s. 2; O. Reg. 149/19, s. 1; O. Reg. 400/19, s. 1 (1, 2).

(2) A plan ceases to be a specified Ontario multi-employer pension plan on the earliest of the following dates:

1. The date on which the first report is filed under section 3 or 14 in respect of the plan for a valuation date after the earlier of the following dates:
 - i. The first anniversary of the date on which section 81.0.2 of the Act comes into force.
 - ii. January 1, 2024.

2. The date, if any, on which the first report is filed under section 3 or 14 in respect of the plan for a valuation date after the administrator rescinds the election in accordance with section 6.0.3.
3. The date, if any, on which the plan is amended so that,
 - i. in the case of a plan that was eligible under subsection 6.0.2 (1), one or more of the eligibility criteria described in paragraphs 4, 5, 6 or 7 of that subsection are no longer satisfied, or
 - ii. in the case of a plan that was eligible under subsection 6.0.2 (1.1), one or both of the eligibility criteria described in paragraph 6 or 7 of subsection 6.0.2 (1) are no longer satisfied or the circumstance described in clause 6.0.2 (1.1) (b) no longer applies with respect to the plan. O. Reg. 489/07, s. 2; O. Reg. 447/09, s. 1; O. Reg. 203/12, s. 1; O. Reg. 225/17, s. 7; O. Reg. 192/18, s. 1; O. Reg. 400/19, s. 1 (3, 4).

Eligibility criteria

6.0.2 (1) A multi-employer pension plan is eligible to become a specified Ontario multi-employer pension plan if it meets all of the following eligibility criteria:

1. At the end of the previous year, no more than 95 per cent of the members of the plan were employed by one employer.
2. During the previous year at least 15 employers made contributions to the plan or at least 10 per cent of the members of the plan were employed by two or more employers.
3. All or substantially all of the employers who make contributions to the plan are persons who are not exempt from tax under Part I of the *Income Tax Act* (Canada).
4. All employers make contributions to the plan pursuant to one or more collective agreements.
5. The employers' contributions to the plan are limited to a fixed amount set out in one or more collective agreements.
6. Under the plan, the administrator is authorized to determine the benefits that are to be provided under the plan, whether or not a collective agreement imposes restrictions on the exercise of that authority.
7. Nothing in the documents that create and support the plan prevents the administrator from reducing the amount of or the commuted value of a pension benefit, a pension, a deferred pension or an ancillary benefit in the circumstances described in subsection 14 (2) of the Act. O. Reg. 489/07, s. 2; O. Reg. 400/19, s. 2 (1).

(1.1) A multi-employer pension plan that does not satisfy the eligibility criteria set out in any of paragraphs 3, 4 and 5 of subsection (1) is also eligible to become a specified Ontario multi-employer pension plan if,

- (a) it satisfies the eligibility criteria set out in paragraphs 1, 2, 6 and 7 of that subsection; and
- (b) the employers' contributions to the plan are limited to a fixed amount set out in one or more documents that create and support the plan. O. Reg. 400/19, s. 2 (2).

(2) For the purposes of this section, a group of employers that are affiliates within the meaning of the *Business Corporations Act* or the *Not-for-Profit Corporations Act, 2010* is deemed to be one employer. O. Reg. 489/07, s. 2; O. Reg. 400/19, s. 2 (3); O. Reg. 695/21, s. 1.

(3) In this section,

“previous year” means, in relation to a pension plan, the fiscal year of the plan before the year in which the election is filed declaring the plan to be specified Ontario multi-employer pension plan. O. Reg. 489/07, s. 2.

Election as specified Ontario multi-employer pension plan

6.0.3 (1) The administrator of a multi-employer pension plan that is eligible to become a specified Ontario multi-employer pension plan under subsection 6.0.2 (1) or (1.1) may file an election with the Chief Executive Officer declaring the plan to be a specified Ontario multi-employer pension plan. O. Reg. 489/07, s. 2; O. Reg. 149/19, s. 1; O. Reg. 400/19, s. 3 (1).

(2) The election may be filed at any time on or after, in the case of a plan that is eligible under subsection 6.0.2 (1), September 1, 2007 or, in the case of a plan that is eligible under subsection 6.0.2 (1.1), December 31, 2019 and before the earlier of the date on which section 81.0.2 of the Act comes into force and January 1, 2024. O. Reg. 489/07, s. 2; O. Reg. 447/09, s. 2; O. Reg. 203/12, s. 2; O. Reg. 225/17, s. 8; O. Reg. 192/18, s. 2; O. Reg. 400/19, s. 3 (2).

(3) The election must be made in writing and only one election may be made in respect of a plan. O. Reg. 489/07, s. 2.

(4) The administrator may rescind the election and must do so by filing written notice of the rescission with the Chief Executive Officer. O. Reg. 489/07, s. 2; O. Reg. 149/19, s. 1.

(5) A rescission cannot be withdrawn once it has been filed. O. Reg. 489/07, s. 2.

Reports, specified Ontario multi-employer pension plan

6.0.4 (1) This section applies to each report filed under section 3, 13 or 14 for a specified Ontario multi-employer pension plan,

(a) if the report is filed on or after the day on which the administrator files the election under section 6.0.3; and

(b) if the valuation date of the report falls on or before the earlier of the first anniversary of the date on which section 81.0.2 of the Act comes into force and January 1, 2024. O. Reg. 489/07, s. 2; O. Reg. 447/09, s. 3; O. Reg. 203/12, s. 3; O. Reg. 225/17, s. 9; O. Reg. 192/18, s. 3.

(2) Subsections 5 (1.0.0.1), 6 (4.1), (4.2) and (4.3) and 7 (1.1), section 7.0.1 and subsection 11 (4) do not apply with respect to a report to which this section applies. O. Reg. 489/07, s. 2; O. Reg. 250/18, s. 17 (1); O. Reg. 105/19, s. 10 (1).

(2.0.1) Subsection 78 (7) does not apply to a specified Ontario multi-employer pension plan. O. Reg. 105/19, s. 10 (2).

(2.0.2) Section 14.0.1 of the Act does not apply to a specified Ontario multi-employer pension plan. O. Reg. 105/19, s. 10 (2).

(2.1) Despite section 11.2, the provision for adverse deviations is zero with respect to a report to which this section applies. O. Reg. 250/18, s. 17 (2).

(2.2) Despite subsection 1 (2), in respect of a report described in subsection (1),

“going concern assets” means the sum of,

(a) the value of the assets of the pension plan determined on the basis of a going concern valuation, including accrued and receivable income but excluding the amount of any letter of credit held in trust for the pension plan, and

(b) the present value of any special payments in respect of a going concern unfunded liability disclosed in previously filed reports. O. Reg. 250/18, s. 17 (2).

(3) For the purposes of clause 6 (4) (a), the required contributions to the plan are sufficient if, for each year of the period covered by the report, they are not less than the sum of the following amounts determined using a benefit allocation method:

1. The normal cost of the plan.

2. The special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability.

3. The special payments to be paid with respect to any going concern unfunded liability that is determined in the report. O. Reg. 489/07, s. 2.

(4) If a report filed under section 3, 13 or 14 with a valuation date before September 30, 2011 discloses that there is a going concern unfunded liability, the liability shall be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 12 years beginning on the valuation date of the report. O. Reg. 329/12, s. 9.

(4.1) If a report filed under section 3, 13 or 14 with a valuation date on or after September 30, 2011 discloses that there is a going concern unfunded liability, the liability shall be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 12 years that begins on a date not later than 12 months after the valuation date of the report. O. Reg. 329/12, s. 9.

(5) Subsection (6) applies if, after a plan amendment referred to in that subsection, the transfer ratio of the plan is less than 0.8 or the ratio of the market value of the plan assets to the going concern liabilities is less than 0.9. O. Reg. 489/07, s. 2.

(6) If the plan is amended to increase pension benefits or ancillary benefits and if either of the conditions described in subsection (5) exist, any increase in the going concern unfunded liability as a result of the amendment shall be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of eight years beginning on the valuation date of the report in which the increase in the going concern unfunded liability was determined. O. Reg. 489/07, s. 2.

(7) Within 60 days after filing a report to which this section applies, the administrator shall give written notice to each member, former member and retired member of the plan that an election has been made under section 6.0.3. O. Reg. 489/07, s. 2; O. Reg. 178/12, s. 9 (1).

(8) The written notice shall contain the following information:

1. The name and provincial registration number of the plan.

2. The name and contact information for the administrator.

3. The transfer ratio of the plan; and if the plan is amended to increase pension benefits or ancillary benefits, the transfer ratio both before and after the amendment, effective on the valuation date of the report.

4. An explanation of how the security of the pension benefits and the ancillary benefits for members, former members and retired members might be affected as a result of the election filed under section 6.0.3.
5. In the case of a specified Ontario multi-employer pension plan in respect of which section 6.0.5 applies, a statement that any adjustments to contributions or benefits to satisfy solvency funding or reduced solvency funding requirements determined in reports filed before December 31, 2019 will be deferred until January 1, 2024. O. Reg. 489/07, s. 2; O. Reg. 178/12, s. 9 (2); O. Reg. 400/19, s. 4.

(9) Within 60 days after filing a report to which this section applies, the administrator shall file a copy of the notice required by subsection (7) with the Chief Executive Officer and shall give a copy to every employer who makes contributions to the plan and to every bargaining agent who represents members of the plan. O. Reg. 489/07, s. 2; O. Reg. 149/19, s. 1.

(10) The administrator shall also give a copy of the notice required by subsection (7) to each person who will be eligible or is required to become a member of the plan after the filing of a report to which this section applies and before the plan ceases to be a specified Ontario multi-employer pension plan, and the notice must be given to him or her together with the information described in subsection 25 (1) of the Act. O. Reg. 489/07, s. 2.

Reports on SOMEPPs, elections filed on or after December 31, 2019

6.0.5 (1) This section applies in respect of a specified Ontario multi-employer pension plan if the administrator filed the election under section 6.0.3 on or after December 31, 2019. O. Reg. 400/19, s. 5.

(2) In addition to the rules under section 6.0.4, the rules set out in subsection (4) apply to the plan and to the first report respecting the plan that is filed, under either section 3 or 14, after the election is filed (the “first report” for the purposes of this section). O. Reg. 400/19, s. 5.

(3) In this section, “specified consolidated prior solvency deficiency” refers to the present value, as of the valuation date of the first report, of all special payments that are required to liquidate any solvency deficiency or reduced solvency deficiency determined in a report filed or submitted under section 3, 13 or 14 before the filing of the first report. O. Reg. 400/19, s. 5.

(4) The following are the rules referred to in subsection (2):

1. If a solvency deficiency or reduced solvency deficiency was determined in a report filed or submitted under section 3, 13 or 14 before the filing of the first report and the deficiency has not yet been liquidated, the administrator shall establish a new five-year period during which the specified consolidated prior solvency deficiency is to be liquidated. The five-year period must begin no later than January 1, 2024.
2. Despite subsection 5 (1), clauses 5 (1.0.0.1) (f) and (g) and subsection 5 (1.0.1), the specified consolidated prior solvency deficiency determined in the first report must be liquidated, with interest at the rates described in subsection 5 (2), by equal monthly instalments over the period established under paragraph 1.
3. Monthly instalments to liquidate the specified consolidated prior solvency deficiency are deemed to be special payments under subsection 5 (1.0.0.1) made for the purpose of liquidating a solvency deficiency or reduced solvency deficiency. O. Reg. 400/19, s. 5; O. Reg. 533/21, s. 8.

NOTICES AND SUMMARIES RE CONTRIBUTIONS

Notice of unpaid contribution, s. 56 (2) of the Act

6.1 Notice under subsection 56 (2) of the Act that a contribution was not paid when it became due must be given to the Chief Executive Officer within 60 days after the day on which the required contribution became due. O. Reg. 144/00, s. 6; O. Reg. 149/19, s. 1.

Summary of contributions, s. 56.1 (1) of the Act

6.2 (1) A summary under subsection 56.1 (1) of the Act of the contributions required to be made in respect of a pension plan for a fiscal year must be given to the persons specified by that subsection,

(a) within 90 days after the plan is established, for the first fiscal year; and

(b) within 60 days after the beginning of the second fiscal year and of each subsequent fiscal year of the plan. O. Reg. 144/00, s. 6.

(2) If there is a change in the summary of contributions, the administrator shall give the persons specified by subsection 56.1 (1) of the Act a revised summary within 60 days after the administrator becomes aware of the change. O. Reg. 144/00, s. 6.

(3) The summary or revised summary must be in a form approved by the Chief Executive Officer. O. Reg. 144/00, s. 6; O. Reg. 149/19, s. 1.

(4) Notice under subsection 56.1 (2) of the Act that a person was not given the summary of contributions in accordance with subsection 56.1 (1) of the Act must be given to the Chief Executive Officer within 30 days after the day on which the summary was required to be given. O. Reg. 144/00, s. 6; O. Reg. 149/19, s. 1.

(5) Notice under subsection 56.1 (3) of the Act that a contribution was not paid when it became due must be given to the Chief Executive Officer within 60 days after the day on which the contribution became due. O. Reg. 144/00, s. 6; O. Reg. 149/19, s. 1.

(6) SPENT: O. Reg. 144/00, s. 6.

ACTUARIAL GAIN, GOING CONCERN EXCESS AND CONTRIBUTION HOLIDAYS

Non-application, s. 55.1 of Act

6.3 Section 55.1 of the Act does not apply in respect of the following:

1. A jointly sponsored pension plan listed in subsection 1.3.1 (3) of this Regulation.
2. A pension plan for which the valuation date of the last filed report is before December 31, 2017.
3. A pension plan for which the last filed report was filed before May 1, 2018. O. Reg. 105/19, s. 11.

Application of actuarial gain

7. (1) If a report discloses an actuarial gain under the plan, the actuarial gain shall be applied firstly to reduce any going concern unfunded liability. O. Reg. 116/06, s. 9 (1).

(1.1) Subsection (1) does not apply to a report with a valuation date on or after December 31, 2017, unless the report is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 250/18, s. 19 (1).

(2) The going concern unfunded liability that is reduced under subsection (1) may be reamortized over the remainder of the original amortization period for the liability or over a shorter period. O. Reg. 712/92, s. 6.

(3) In any year for which no special payments are required under section 5 and during which no special payments are deferred under subsection 5 (1.0.1), an actuarial gain may be applied to reduce contributions for normal cost required to be made by the employer, by a person or entity required to make contributions on behalf of the employer, by the members of the pension plan or by any of them. O. Reg. 329/12, s. 10 (1); O. Reg. 250/18, s. 19 (2).

(3.1) Despite subsection (3), for a plan that provides defined benefits, other than designated plans or individual pension plans, for a fiscal year of the plan ending after June 29, 2017 and before January 1, 2020, an actuarial gain shall not be used to reduce contributions for the normal cost required to be made by an employer, by a person or entity required to make contributions on behalf of the employer, by members or by any of them for the year unless,

(a) the administrator files with the Chief Executive Officer within the first 90 days of the fiscal year an actuarial cost certificate for the fiscal year; and

(b) the amount applied to reduce the contributions for the year does not exceed the maximum amount determined under subsection (3.2). O. Reg. 239/09, s. 5; O. Reg. 178/12, s. 10; O. Reg. 161/16, s. 10 (1); O. Reg. 250/18, s. 19 (3); O. Reg. 149/19, s. 1.

(3.1.1) Subsections (3) and (3.1) do not apply in respect of a report that discloses an actuarial gain under the plan if the valuation date of the report is on or after December 31, 2017 and the report is filed or submitted on or after May 1, 2018, unless the report is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 105/19, s. 12 (1).

(3.2) For the purposes of clause (3.1) (b), the maximum amount of any actuarial gain identified in the last report filed under section 3 or 14 that may be applied to reduce contributions for the normal cost for a fiscal year of the plan ending after June 29, 2017 and before January 1, 2020 is the lesser of,

(a) the amount, if any, by which the going concern assets reported in the actuarial cost certificate filed for the fiscal year exceed the sum of the estimated going concern liabilities and the prior year credit balance as reported in the certificate; and

(b) the amount, if any, by which the solvency assets reported in the certificate exceed the sum of the estimated solvency liabilities and the prior year credit balance as reported in the certificate. O. Reg. 239/09, s. 5; O. Reg. 161/16, s. 10 (2); O. Reg. 250/18, s. 1.

(4) REVOKED: O. Reg. 105/19, s. 12 (2).

(5) Subject to subsection (6), in any fiscal year for which no special payments are required under section 5 and during which no special payments are deferred under subsection 5 (1.0.1), any actuarial gain not applied under subsection (1) or (3) may be applied to pay the annual assessment to the Guarantee Fund otherwise required by subsection 37 (1) to be paid by the employer. O. Reg. 105/19, s. 12 (1).

(6) Subsection (5) applies only in respect of a fiscal year covered by,

(a) a report with a valuation date before December 31, 2017; or

(b) a report that is filed or submitted before May 1, 2018. O. Reg. 105/19, s. 12 (1).

Special payments if going concern excess

7.0.1 (1) The following rules about special payments apply with respect to a report with a valuation date on or after December 31, 2017 for a plan that is not a jointly sponsored pension plan listed in subsection 1.3.1 (3):

1. If the report discloses a going concern excess under the plan that is greater than or equal to the sum of the amounts listed in subsection (2), the special payments determined under clauses 5 (1.0.0.1) (a), (c), (d) and (e) shall be reduced to zero.
2. If the report discloses a going concern excess under the plan that is less than the sum of the amounts listed in subsection (2), the monthly rate of the special payments determined under clauses 5 (1.0.0.1) (a), (c), (d) and (e) shall not be changed but the amortization period or periods for the special payments determined under those clauses shall be reduced so as to reduce the going concern excess to zero. O. Reg. 250/18, s. 20.

(2) The amounts referred to in paragraphs 1 and 2 of subsection (1) are the following:

1. The present value of special payments in respect of any plan amendment that increases going concern liabilities.
2. The present value of special payments in respect of a going concern unfunded liability, other than a past service unfunded actuarial liability, determined in the report filed immediately before the current report and scheduled for payment within one year after the valuation date of the current report.
3. The present value of special payments in respect of any past service unfunded actuarial liability. O. Reg. 250/18, s. 20.

Available actuarial surplus, s. 55.1 of the Act

7.0.2 (1) For the purposes of section 55.1 of the Act, the available actuarial surplus of a pension plan is the following:

1. In the case of a plan with respect to which special payments are required or are deferred under subsection 5 (1.0.0.1) or (1.0.1) for the year, zero.
2. In the case of any other plan, the lesser of the following:
 - i. The amount by which the value of the assets of the pension plan, determined on the basis of a going concern valuation, including accrued and receivable income but excluding the amount of any letter of credit held in trust for the pension plan, exceeds the sum of going concern liabilities, the amount equal to the provision for adverse deviations in respect of going concern liabilities and the prior year credit balance.
 - ii. Whichever of the following amounts applies to the plan:
 - A. In the case of a plan that is a public sector pension plan, the amount that, if it were deducted from the solvency assets of the pension plan, would reduce the solvency ratio to 1.05.
 - B. In the case of any other plan, the amount that, if it were deducted from the solvency assets of the pension plan, would reduce the transfer ratio to 1.05. O. Reg. 250/18, s. 20.

(2) The amounts referred to in paragraph 2 of subsection (1) shall be based on figures from the last report of the plan filed under section 3 or 14 or submitted under section 4. O. Reg. 250/18, s. 20.

Application of available actuarial surplus

7.0.3 (1) In any year following the valuation date of the first report filed on or after May 1, 2018 with a valuation date on or after December 31, 2017 for a plan that is not a jointly sponsored pension plan listed in subsection 1.3.1 (3), available actuarial surplus may be applied to reduce contributions for normal cost and contributions for the provision for adverse deviations in respect of the normal cost required to be made by the employer, by a person or entity required to make contributions on behalf of the employer, by the members of the pension plan or by any of them. O. Reg. 250/18, s. 20; O. Reg. 105/19, s. 13 (1).

(2) Any available actuarial surplus not applied under subsection (1) may be applied to pay the annual assessment to the Guarantee Fund otherwise required by subsection 37 (1) to be paid by the employer. O. Reg. 250/18, s. 20.

(3) Despite subsections (1) and (2), for a plan that provides defined benefits, other than designated plans or individual pension plans, available actuarial surplus shall not be used to pay an annual assessment to the Guarantee Fund or to reduce contributions for the normal cost or contributions for the provision for adverse deviations in respect of the normal cost required to be made by an employer, by a person or entity required to make contributions on behalf of the employer, by members or by any of them for the fiscal year unless,

(a) the administrator files with the Chief Executive Officer within the first 90 days of the fiscal year an actuarial cost certificate for the fiscal year; and

(b) the amount applied to pay the annual assessment to the Guarantee Fund or to reduce the contributions for the year does not exceed the maximum amount determined under subsection (4) or (5). O. Reg. 250/18, s. 20; O. Reg. 149/19, s. 1.

(4) For the purposes of clause (3) (b), and subject to subsection (5), the maximum amount of any available actuarial surplus that may be applied to pay an annual assessment to the Guarantee Fund or to reduce contributions for the normal cost and contributions for the provision for adverse deviations in respect of the normal cost for a fiscal year is the lesser of,

(a) the amount, if any, of available actuarial surplus for the fiscal year reported in the last report of the plan filed under section 3 or 14 or submitted under section 4; and

(b) the amount, if any, of estimated available actuarial surplus for the fiscal year as reported in the actuarial cost certificate filed under section 7.1 for that fiscal year. O. Reg. 250/18, s. 20.

(5) If a report has been filed under section 3 or 14 or submitted under section 4 with a valuation date that is not earlier than the day immediately before the beginning of the fiscal year in which the report is filed or submitted, and the report sets out available actuarial surplus, clauses (3) (a) and (4) (b) do not apply with respect to the portion of the fiscal year that begins on the first day of the period covered by the report and ends on the last day of the fiscal year. O. Reg. 105/19, s. 13 (2).

Actuarial cost certificate

7.1 (1) An actuarial cost certificate must be prepared by an actuary using methods and actuarial assumptions that are consistent with accepted actuarial practice and with the requirements of the Act and this Regulation, based on a valuation date of the first day of the fiscal year of the plan to which the certificate relates. O. Reg. 239/09, s. 6.

(2) An actuarial cost certificate for a fiscal year before the fiscal year described in subsection (3) must contain the following:

1. An estimate of the normal cost of the plan for the fiscal year of the plan commencing on the valuation date of the certificate.

2. An estimate of the total employee contributions to the plan to be made during that fiscal year.

3. The going concern assets, estimated going concern liabilities, solvency assets and estimated solvency liabilities, each determined as of the valuation date of the certificate.

4. The prior year credit balance.

5. The estimated transfer ratio, calculated using the solvency assets and estimated solvency liabilities determined in the certificate. O. Reg. 239/09, s. 6; O. Reg. 250/18, s. 1, 21 (1).

(3) An actuarial cost certificate for a fiscal year following a report filed on or after May 1, 2018 with a valuation date on or after December 31, 2017 must contain the following:

1. An estimate of the normal cost of the plan for the fiscal year commencing on the valuation date of the certificate.

2. An estimate of the amount equal to the provision for adverse deviations in respect of the normal cost of the plan for the fiscal year commencing on the valuation date of the certificate.

3. An estimate of the total employee contributions to the plan to be made during that fiscal year.

4. The pension plan's going concern assets, estimated going concern liabilities, estimated available actuarial surplus if applicable, solvency assets and estimated solvency liabilities, each determined as of the valuation date of the certificate.

5. The prior year credit balance.

6. Estimated liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities.

7. The estimated transfer ratio, calculated using the solvency assets and estimated solvency liabilities determined in the certificate.

8. If the pension plan is a public sector pension plan, the estimated solvency ratio, calculated using the solvency assets and estimated solvency liabilities determined in the certificate. O. Reg. 250/18, s. 21 (2); O. Reg. 105/19, s. 14.

Use of surplus, notice re reduction of contributions

8. (1) The administrator shall give notice of a reduction of contributions under section 7.0.3 for the normal cost of the plan or of contributions for the provision for adverse deviations in respect of the normal cost of the plan. O. Reg. 250/18, s. 22.

(2) The notice shall be given to,

(a) every member of the plan;

(b) every trade union that represents members of the plan who are employed in Ontario;

(c) every former member of the plan;

(d) every retired member of the plan; and

(e) the advisory committee, if any, established under section 24 of the Act for the plan. O. Reg. 250/18, s. 22.

(3) The notice must contain the following:

1. A statement that the documents that create and support the pension plan and the pension fund do not prohibit the reduction of contributions.

2. A statement that contributions required to be made by the employer, by the members of the pension plan or by both of them will be reduced.

3. The period of time during which contributions will be reduced.

4. One of the following statements:

- i. if the plan is a public sector pension plan, a statement that the reduction of contributions will not reduce the estimated solvency ratio of the pension plan to less than 1.05, or
- ii. if the plan is not a public sector pension plan, a statement that the reduction of contributions will not reduce the estimated transfer ratio of the pension plan to less than 1.05.

5. A statement that the plan's going concern assets will be at least equal to the plan's going concern liabilities plus the amount equal to the plan's provision for adverse deviations in respect of going concern liabilities after the reduction of contributions for the period.

6. The estimated transfer ratio of the pension plan, calculated using the solvency assets and estimated solvency liabilities determined in the actuarial cost certificate. O. Reg. 250/18, s. 22; O. Reg. 105/19, s. 15 (1).

(4) The notice must be given within the first six months of the fiscal year in which the planned reduction is to occur. However, a separate notice to a member, former member or retired member is not required if the administrator includes the information required under subsection (3) in the written statement that is required under section 27 of the Act in the same fiscal year. O. Reg. 250/18, s. 22.

(5) Despite subsection (4), where subsection 7.0.3 (5) applies and the planned reduction is to occur more than six months after the start of a fiscal year, the notice must be given within six months following the end of the fiscal year in which the planned reduction is to occur. O. Reg. 105/19, s. 15 (2).

Use of surplus, amendment converting defined benefits to defined contribution benefits

9. If an amendment to a pension plan with defined benefits converts the defined benefits to defined contribution benefits, the employer may offset the employer's contributions for normal costs against the amount of surplus, if any, in the pension fund after the conversion. O. Reg. 665/94, s. 1; O. Reg. 250/18, s. 23; O. Reg. 105/19, s. 16.

Consent to payment of surplus

10. (1) The criteria described in this section must be met before the Chief Executive Officer may consent to the payment of money that is surplus out of a continuing pension plan to the employer. R.R.O. 1990, Reg. 909, s. 10 (1); O. Reg. 307/98, s. 5 (1); O. Reg. 149/19, s. 1.

(2), (3) REVOKED: O. Reg. 178/12, s. 12 (1).

(4) The pension plan must provide that a member's contributions to the plan, and interest on the contributions, shall not be used to provide more than 50 per cent of an amount equal to the commuted value of a deferred pension or pension in respect of contributory benefits to which the member is entitled under the pension plan on termination of employment or membership. O. Reg. 178/12, s. 12 (2).

(5) The pension plan must provide that a former member or retired member who is entitled to a deferred pension or a pension, as the case may be, on termination of employment or membership is entitled to a lump sum payment from the pension fund that is equal to the amount by which his or her contributions, as a member, and interest on the contributions, exceeds one-half of the commuted value of the deferred pension or pension in respect of contributory benefits. O. Reg. 178/12, s. 12 (2).

(6), (7) REVOKED: O. Reg. 665/94, s. 2.

(8)-(12) REVOKED: O. Reg. 178/12, s. 12 (3).

10.1 REVOKED: O. Reg. 178/12, s. 13.

FUNDING OF ESCALATED ADJUSTMENTS

Funding of escalated adjustments

11. (1) The estimated future costs of the escalated adjustments of a pension plan that provides for escalated adjustments may be excluded from the funding requirements set out in sections 4, 5 and 6. R.R.O. 1990, Reg. 909, s. 11 (1).

(2) The amount of a payment of an escalated adjustment that is made from the pension fund, to the extent that it has not been prefunded, shall be deemed to be part of the normal cost. R.R.O. 1990, Reg. 909, s. 11 (2).

(3) For the purposes of a report required by section 13 or 14, factors attributable to an escalated adjustment may be excluded in determining the existence or amount of any going concern unfunded liability. R.R.O. 1990, Reg. 909, s. 11 (3); O. Reg. 712/92, s. 7.

(4) This section does not apply to a report with a valuation date on or after December 31, 2017 unless the report is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 250/18, s. 24.

PROVISION FOR ADVERSE DEVIATIONS

General

11.1 (1) The amount equal to the provision for adverse deviations in respect of the normal cost for a pension plan is the provision for adverse deviations determined under section 11.2 multiplied by the plan's normal cost. O. Reg. 250/18, s. 25.

(2) For the purpose of subsection (1), the plan's normal cost may exclude estimated future costs for escalated adjustments. O. Reg. 250/18, s. 25.

(3) The amount equal to the provision for adverse deviations in respect of going concern liabilities for a pension plan is the provision for adverse deviations determined under section 11.2 multiplied by the plan's going concern liabilities as of the valuation date of the last filed report. O. Reg. 250/18, s. 25.

(4) For the purpose of subsection (3), the going concern liabilities of a plan may exclude estimated future costs for escalated adjustments and liabilities in respect of benefits for which an annuity contract has been purchased from an insurance company. O. Reg. 250/18, s. 25.

Calculation of provision for adverse deviations

11.2 (1) In this section,

“closed plan” means a pension plan,

- (a) that has no members who are entitled to defined benefits, or
- (b) in which at least 25 per cent of the members of the plan who are entitled to defined benefits are in a class or classes of employees from which new members are not permitted, according to the terms of the plan, to join the plan and accrue defined benefits; (“régime fermé”)

“non-fixed income assets” means assets other than fixed income assets. (“actif à revenu non fixe”) O. Reg. 250/18, s. 25; O. Reg. 105/19, s. 17 (1).

(2) The provision for adverse deviations for a pension plan on a particular valuation date is the percentage calculated using the formula,

$$A + B + C$$

in which,

“A” is 0.05 for a pension plan that is a closed plan on the valuation date and 0.04 for a pension plan that is not a closed plan on that date,

“B” is the value determined under subsection (3), and

“C” is the greater of,

(a) zero, and

(b) the value equal to the plan’s duration of going concern liabilities calculated under subsection (5) multiplied by the amount by which “D” exceeds “E” where,

“D” is the plan’s going concern valuation interest rate which shall be gross of any provision for expenses paid or expected to be paid from the fund and may be net of any provision for expenses paid or expected to be paid from the fund for active management of investments, and

“E” is the plan’s benchmark discount rate calculated under subsections (7) to (12).

O. Reg. 250/18, s. 25; O. Reg. 105/19, s. 17 (2).

(3) The value of “B” for the purposes of subsection (2) is the value determined under Table 1 to this section based on the plan’s combined target asset allocation for non-fixed income assets, as determined under subsection (4), in accordance with the following rules:

1. The value of “B” is the value in Column 3 or Column 4 of Table 1, whichever applies, opposite the combined target asset allocation for the non-fixed income assets of the plan under Column 2 of Table 1.
2. If the combined target asset allocation for non-fixed income assets falls between two values in Column 2 of Table 1, the value of “B” shall be interpolated linearly from the values in Column 3 or 4 of Table 1, whichever applies. O. Reg. 250/18, s. 25.

(4) The plan’s combined target asset allocation for non-fixed income assets shall be determined in accordance with the formula,

$$100\% - J$$

in which,

“J” is the combined target asset allocation for fixed income assets, determined under subsection (8).

O. Reg. 250/18, s. 25.

(5) For the purposes of determining the value of “C” under subsection (2), the value equal to the plan’s duration of going concern liabilities shall be calculated using the formula,

$$(F - G) / (G \times 0.01)$$

in which,

“F” is the value of the plan’s going concern liabilities as of the valuation date, determined using a discount rate that is 1 per cent less than the discount rate used in the report, and

“G” is the value of the plan’s going concern liabilities as of the valuation date.

O. Reg. 250/18, s. 25.

(6) For the purposes of determining the values of “F” and “G” in subsection (5), the going concern liabilities of the plan may exclude estimated future costs for escalated adjustments and liabilities in respect of benefits for which an annuity contract has been purchased from an insurance company. O. Reg. 250/18, s. 25.

(7) For the purposes of determining the value of “E” under subsection (2), the plan’s benchmark discount rate is the amount calculated using the formula,

$$0.005 + H + (0.015 \times J) + (0.05 \times K)$$

in which,

“H” is the benchmark yield on long-term bonds issued by the Government of Canada for the valuation date, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V39056 compiled by Statistics Canada and available on the website of the Bank of Canada,

“J” is the combined target asset allocation for fixed income assets, determined under subsection (8), and

“K” is the combined target asset allocation for non-fixed income assets, determined under subsection (4).

O. Reg. 250/18, s. 25.

(8) Subject to subsections (9) to (11), for the purposes of the value of “J” in subsections (4) and (7), the plan’s combined target asset allocation for fixed income assets shall be determined in accordance with the formula,

$$[L + (0.5 \times M) + (N \times P) + (0.5 \times N \times Q)] / (100\% - R)$$

in which,

“L” is the sum of the plan’s target asset allocations for each of the investment categories listed in paragraphs 1, 3, 4, 5, 15 and 16 of subsection 76 (12), excluding any portions of the target asset allocations that are allocated to the assets described in “R”, expressed as a percentage,

“M” is the sum of the plan’s target asset allocations for each of the investment categories listed in paragraphs 6 to 11 and 17 of subsection 76 (12), excluding any portions of the target asset allocations that are allocated to the assets described in “R”, expressed as a percentage,

“N” is the plan’s target asset allocation for the investment category listed in paragraph 2 of subsection 76 (12), expressed as a percentage,

“P” is the proportion of “N” that is allocated to the investment categories listed in paragraphs 1, 3, 4, 5, 15 and 16 of subsection 76 (12), expressed as a percentage,

“Q” is the proportion of “N” that is allocated to the investment categories listed in paragraphs 6 to 11 and 17 of subsection 76 (12), expressed as a percentage, and

“R” is the portion of the plan’s target asset allocation for each investment category listed in paragraphs 1, 3 to 11 and 15 to 17 of subsection 76 (12), expressed as a percentage, that is allocated to annuity contracts that have been purchased from an insurance company in respect of benefits.

O. Reg. 250/18, s. 25.

(9) In determining the values of “L” and “P” in subsection (8), any portion of a target asset allocation for an investment category listed in paragraph 4, 15 or 16 of subsection 76 (12) shall not be included unless the following criteria are met:

1. The plan’s statement of investment policies and procedures must set out a minimum rating for target asset allocations of fixed income assets in the investment category, or the portion thereof, that is given by a credit rating agency recognized by a competent authority.
2. As of the valuation date referred to in subsection (2), the minimum rating described in paragraph 1 must be at or above one of the following ratings:
 - i. The rating set out in Column 3 or 4 of Table 2 to this section, as applicable, opposite a credit rating agency in Column 2 of that Table.
 - ii. A rating that is equivalent to the rating described in subparagraph i and that is given by another credit rating agency recognized by a competent authority. O. Reg. 250/18, s. 25; O. Reg. 105/19, s. 17 (3-5).

(9.1) Any portion of a target asset allocation excluded from the value of “L” in subsection (8) in accordance with subsection (9) shall be included in the value of “M” in subsection (8). O. Reg. 105/19, s. 17 (6).

(9.2) Any portion of a target asset allocation excluded from the value of “P” in subsection (8) in accordance with subsection (9) shall be included in the value of “Q” in subsection (8). O. Reg. 105/19, s. 17 (6).

(10) The target asset allocation to be used in determining the values of “L”, “M”, “N”, “P”, “Q” and “R” in subsection (8) is the target asset allocation in the plan’s statement of investment policies and procedures that is in effect as of the valuation date referred to in subsection (2). O. Reg. 250/18, s. 25; O. Reg. 105/19, s. 17 (7).

(11) Subject to subsection (12), for a report with a valuation date before December 31, 2019, a plan’s actual asset allocations to the applicable investment categories on the valuation date of the report, as set out in the plan’s financial statements, may be used instead of the plan’s target asset allocations in determining the values of “L”, “M”, “N”, “P”, “Q” and “R” in subsection (8). O. Reg. 250/18, s. 25.

(12) If a plan’s actual asset allocations are used under subsection (11), any asset in an investment category listed in paragraph 4, 15 or 16 of subsection 76 (12) shall not be included unless, as of the valuation date referred to in subsection (2), the minimum rating of the asset is at or above one of the following ratings:

1. The rating set out in Column 3 or 4 of Table 2 to this section, as applicable, opposite a credit rating agency in Column 2 of that Table.

2. A rating that is equivalent to the rating described in paragraph 1 and that is given by another credit rating agency recognized by a competent authority. O. Reg. 250/18, s. 25; O. Reg. 105/19, s. 17 (8).

(12.1) Any asset in the actual asset allocation excluded from the value of "L" in subsection (8) in accordance with subsection (12) shall be included in the value of "M" in subsection (8). O. Reg. 105/19, s. 17 (9).

(12.2) Any asset in the actual asset allocation excluded from the value of "P" in subsection (8) in accordance with subsection (12) shall be included in the value of "Q" in subsection (8). O. Reg. 105/19, s. 17 (9).

(13) Despite anything else in this section, the provision for adverse deviations is deemed to be zero for,

- (a) a jointly sponsored pension plan listed in subsection 1.3.1 (3); and
- (b) a pension plan's liabilities in respect of defined contribution benefits. O. Reg. 250/18, s. 25.

TABLE 1
VALUE OF "B" FOR THE PURPOSES OF SUBSECTION (2)

Column 1 Item	Column 2 Combined target asset allocation for non-fixed income assets	Column 3 Value of "B" for closed plan	Column 4 Value of "B" for plan other than closed plan
1.	0%	0	0
2.	20%	0.02	0.01
3.	40%	0.04	0.02
4.	50%	0.05	0.03
5.	60%	0.07	0.04
6.	70%	0.11	0.06
7.	80%	0.15	0.08
8.	100%	0.23	0.12

O. Reg. 250/18, s. 25.

TABLE 2
MINIMUM FIXED INCOME ASSET RATINGS FOR THE PURPOSES OF SUBSECTIONS (9) AND (12)

Column 1 Item	Column 2 Credit rating agency	Column 3 Rating - bond market securities	Column 4 Rating - money market securities
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1.	DBRS	BBB	R-2 (middle)
2.	Fitch Ratings	BBB-	F-3
3.	Moody's Investors Service	Baa3	P-3
4.	Standard & Poor's	BBB-	A-3

O. Reg. 250/18, s. 25.

CONTRIBUTION REQUIREMENTS IN YEAR OF REPORT

Contribution requirements in year of report

12. (1) This section applies in respect of a pension fund for a pension plan other than a jointly sponsored pension plan when a report required under section 3 or 14 is filed with the Chief Executive Officer or a report prepared under section 4 or 13 is submitted to the Chief Executive Officer. O. Reg. 116/06, s. 11; O. Reg. 149/19, s. 1.

(2) Within 60 days after the report is filed or submitted, the employer shall pay into the pension fund,

(a) all amounts due under the report on the date the report is filed or submitted; and

(b) interest on those amounts calculated at the going concern interest rate or the solvency valuation interest rate, whichever applies in the circumstances. O. Reg. 144/00, s. 7.

(2.1) REVOKED: O. Reg. 520/20, s. 2 (2).

(3) The actuary who prepares the report shall calculate the amount of interest that is payable under clause (2) (b). O. Reg. 144/00, s. 7.

REPORTS

Reporting requirements after establishment of plan

13. (1) Within 90 days after the date of establishment of a plan, the administrator shall submit a report on the basis of a going concern valuation that sets out,

(a) the normal cost, in the first year during which the plan is registered and the rule for computing the normal cost in subsequent years up to the date of the next report;

(b) an estimate of the normal cost, in the subsequent years up to the date of the next report;

(b.1) for a pension plan that has a provision for adverse deviations that is greater than zero,

(i) the provision for adverse deviations for the plan, calculated in accordance with section 11.2, and

(ii) the estimated contributions required to pay the amount equal to the provision for adverse deviations in respect of the normal cost for each year up to the date of the next report;

(c) where applicable, the estimated aggregate employee contributions to the pension plan during each year up to the date of the succeeding report;

(d) the past service unfunded actuarial liability, if any, under the pension plan as at the date on which the plan qualified for registration;

(e) the special payments required to liquidate the past service unfunded actuarial liability in accordance with section 5;

- (f) any other going concern unfunded liability;
- (g) the special payments required to liquidate any going concern unfunded liability referred to in clause (f);
- (h), (i) REVOKED: O. Reg. 712/92, s. 9 (3).
- (j) where the plan provides for an escalated adjustment,
 - (i) the liability for the future costs of the adjustment included in the determination of the plan's going concern liabilities,
 - (ii) the future costs for the adjustment included in the normal cost,
 - (iii) whether and to what extent liabilities for the future costs of the adjustment are taken into account when determining the provision for adverse deviations in respect of the going concern liabilities, and
 - (iv) whether and to what extent future costs of the adjustment are taken into account when determining the provision for adverse deviations in respect of the normal cost. R.R.O. 1990, Reg. 909, s. 13 (1); O. Reg. 712/92, s. 9 (1-3); O. Reg. 386/04, s. 3; O. Reg. 250/18, s. 26 (1, 2).

(1.0.1) REVOKED: O. Reg. 287/20, s. 3 (2).

(1.1) The report shall also set out, on the basis of a solvency valuation,

- (a) whether there is a solvency deficiency;
 - (a.1) whether there is a reduced solvency deficiency;
- (b) if there is a solvency deficiency, the amount of the solvency deficiency;
 - (b.1) if there is a reduced solvency deficiency, the amount of the reduced solvency deficiency and the special payments required to liquidate it in accordance with section 5;
- (c) whether the transfer ratio is less than one; and
- (d) if the transfer ratio is less than one, the transfer ratio. O. Reg. 712/92, s. 9 (4); O. Reg. 144/00, s. 8 (1); O. Reg. 250/18, s. 26 (4, 5).

(1.1.1) The report shall also set out any available actuarial surplus for each year up to the date of the next report. O. Reg. 250/18, s. 26 (6).

(1.2) The report for a designated plan shall also contain a maximum funding valuation. O. Reg. 73/95, s. 3.

(2) The report referred to in subsection (1) shall be certified by a person authorized by section 15. R.R.O. 1990, Reg. 909, s. 13 (2).

(2.1) A report prepared under subsection (1) in which a benefit allocation method was not used to set contribution rates must,

- (a) set out the contribution rate or rates that are required under the pension plan;
- (b) identify the normal cost or the equivalent of normal cost determined using the actuarial cost method adopted by the pension plan; and
- (c) include the information required under subsection (1) determined using a benefit allocation method and the information required under subsection (1.1). O. Reg. 116/06, s. 12.

(3) A report referred to in subsection (1) may certify the adequacy of the premiums necessary to provide for the payment of all benefits under an insured pension plan that is funded by level premiums extending not beyond the retirement age for each individual member, in lieu of the matters required to be certified under that subsection. R.R.O. 1990, Reg. 909, s. 13 (3).

(4) This section does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits. O. Reg. 144/00, s. 8 (2).

Ongoing reporting requirements

14. (0.1) This section does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits. O. Reg. 144/00, s. 9 (1).

(0.2) REVOKED: O. Reg. 533/21, s. 9 (1).

(1) Subject to subsections (2) to (6.1), the administrator of a pension plan shall cause the plan to be reviewed and a report prepared and certified by a person authorized under section 15 at regular intervals, with the first valuation date not more than three years after the date of the establishment of the plan and with valuation dates at intervals of not more than three years thereafter. O. Reg. 712/92, s. 10; O. Reg. 73/95, s. 4 (1).

(2) For the purposes of subsection (3), a report indicates solvency concerns if any of the following circumstances exist:

1. The employer has elected under subsection 5 (18) to exclude plant closure benefits or permanent layoff benefits and this election has not been rescinded.
2. The ratio of the solvency assets to the solvency liabilities is less than 0.85 for a valuation date on or after December 31, 2012.
3. REVOKED: O. Reg. 177/11, s. 7 (2).

O. Reg. 177/11, s. 7 (1, 2).

(3) Where a report filed under this section or submitted under section 4 indicates solvency concerns, the next report under this section in respect of the plan shall be prepared and certified with a valuation date within one year rather than the three year interval set out in subsection (1). O. Reg. 712/92, s. 10.

(4) Subsections (2) and (3) do not apply to a plan established for less than three years except where the plan is a successor pension plan as described in subsection 80 (5) or section 81 of the Act. O. Reg. 712/92, s. 10; O. Reg. 306/13, s. 3 (1).

(4.1) Subsections (2) and (3) do not apply to a pension plan that is a designated plan or an individual pension plan. O. Reg. 73/95, s. 4 (2); O. Reg. 178/12, s. 14 (1).

(4.2) Subsections (2) and (3) do not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 400/19, s. 6 (1).

Note: On January 1, 2024, subsection 14 (4.2) of the Regulation is revoked. (See: O. Reg. 400/19, s. 6 (2))

(5) Subject to subsection (6), subsections (2) and (3) do not apply to a multi-employer pension plan that is a specified Ontario multi-employer pension plan under section 6.0.1 that files a report required to be filed in respect of the plan under this section. O. Reg. 400/19, s. 6 (1).

(6) Subsection (5) ceases to apply to a multi-employer pension plan referred to in that subsection as of the earlier of the following dates:

1. The first anniversary of the date on which section 81.0.2 of the Act comes into force.
2. January 1, 2024. O. Reg. 400/19, s. 6 (1).

(6.1) If a pension plan ceases to be a designated pension plan or an individual pension plan, the administrator of the plan shall cause the plan to be reviewed and a report prepared with a valuation date no later than the end of the fiscal year of the plan in which the plan ceased to be a designated pension plan or an individual pension plan. The plan must be reviewed, and the report prepared and certified, by an actuary. O. Reg. 178/12, s. 14 (3).

(7) Each report under this section with a valuation date before December 31, 2017 or that is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3) shall set out, on the basis of a going concern valuation,

- (a) the normal cost in the year following the valuation date of the report and the rule for computing the cost in subsequent years up to the valuation date of the next report;
- (b) an estimate of the normal cost in the subsequent years up to the valuation date of the next report;
- (c) the estimated aggregate employee contributions to the pension plan during the year following the valuation date of the report and the subsequent years up to the valuation date of the next report;
- (c.1) the special payments remaining to be paid after the valuation date with respect to the going concern unfunded liability determined in any of the previously filed reports;
- (c.2) if there is a going concern unfunded liability in the report, the amount of the going concern unfunded liability and the special payments required to liquidate it in accordance with section 5;
- (c.3) despite clause (c.2), in the case of a specified Ontario multi-employer pension plan, if there is a going concern unfunded liability in the report, the amount of the going concern unfunded liability and the special payments required to liquidate it in accordance with section 6.0.4;
- (d) the present value of future special payments remaining to be paid after the valuation date and established in certificates appended to previous reports;
- (e) where the plan provides for an escalated adjustment, whether and to what extent,
 - (i) liability for the future cost of the adjustment has been included in the determination of any going concern unfunded liability, or
 - (ii) the cost for the escalated adjustment is included in the normal cost; and
- (f) the actuarial gain or actuarial loss in the plan and,
 - (i) where there is an actuarial loss, the special payments that will liquidate any increase in a going concern unfunded liability resulting from the loss over a term not exceeding fifteen years, and
 - (ii) where there is an actuarial gain, any intended application of the gain in accordance with section 7. O. Reg. 712/92, s. 10; O. Reg. 570/06, s. 4 (1); O. Reg. 489/07, s. 3; O. Reg. 250/18, s. 27 (2).

(8) Each report under this section with a valuation date before December 31, 2017 or that is in respect of a jointly sponsored pension plan listed in subsection 1.3.1 (3) shall also set out, on the basis of a solvency valuation,

- (a) whether there is a solvency deficiency;
 - (b) the special payments remaining to be paid after the valuation date with respect to the solvency deficiency determined in any of the previously filed reports;
 - (b.1) if there is a solvency deficiency in the report, the amount of the solvency deficiency and the special payments required to liquidate it in accordance with section 5;
 - (c) the liabilities referred to in clauses (a) to (h) of the definition of "solvency liabilities" in subsection 1 (2) that are being excluded from the calculation of the solvency liabilities;
 - (d) whether there is a Guarantee Fund assessment required to be paid under section 37;
 - (e) if a Guarantee Fund assessment is required to be paid, the PBGF assessment base;
 - (e.1) if a Guarantee Fund assessment is required to be paid and if the PBGF assessment base is greater than zero, the PBGF liabilities and, if applicable, the value of "B" described in subsection 37 (4);
 - (f) whether the transfer ratio is less than one; and
 - (g) if the transfer ratio is less than one, the transfer ratio. O. Reg. 712/92, s. 10; O. Reg. 144/00, s. 9 (2, 3); O. Reg. 489/07, s. 4; O. Reg. 250/18, s. 27 (3-5).
- (8.0.1) Subsections (8.0.2) to (8.0.6) do not apply to reports in respect of jointly sponsored pension plans listed in subsection 1.3.1 (3). O. Reg. 250/18, s. 27 (6).
- (8.0.2) Each report under this section with a valuation date on or after December 31, 2017 shall set out, on the basis of a going concern valuation,
- (a) the normal cost in the year following the valuation date of the report and the rule for computing the cost in subsequent years up to the valuation date of the next report;
 - (b) an estimate of the normal cost in the subsequent years up to the valuation date of the next report;
 - (c) if a plan has a provision for adverse deviations that is greater than zero,
 - (i) the provision for adverse deviations for the plan, calculated in accordance with section 11.2, and
 - (ii) the estimated contributions required to pay the amount that is equal to the provision for adverse deviations in respect of the normal cost for each year up to the date of the next report;
 - (d) the estimated aggregate employee contributions to the pension plan during the year following the valuation date of the report and the subsequent years up to the valuation date of the next report;
 - (e) the special payments remaining to be paid after the valuation date with respect to any plan amendment that increases going concern liabilities;
 - (f) the special payments required with respect to any going concern unfunded liability determined in the previously filed report in accordance with section 5;
 - (g) the special payments remaining to be paid after the valuation date to liquidate a past service unfunded actuarial liability;
 - (h) if there is a going concern unfunded liability in the report, the amount of the going concern unfunded liability and the special payments required in respect of it in accordance with section 5;
 - (i) in the case of a specified Ontario multi-employer pension plan, if there is a going concern unfunded liability in the report, the amount of the going concern unfunded liability and the special payments required to liquidate it in accordance with section 6.0.4;

- (j) the present value of future special payments remaining to be paid after the valuation date with respect to any plan amendment that increases going concern liabilities;
- (k) the present value of future special payments remaining to be paid after the valuation date with respect to a past service unfunded actuarial liability;
- (l) where the plan provides for an escalated adjustment,
 - (i) the liability for the future costs of the adjustment included in the determination of the plan's going concern liabilities,
 - (ii) the future costs for the adjustment included in the normal cost,
 - (iii) whether and to what extent liabilities for the future costs of the adjustment are taken into account when determining the provision for adverse deviations in respect of the going concern liabilities, and
 - (iv) whether and to what extent future costs of the adjustment are taken into account when determining the provision for adverse deviations in respect of the normal cost; and
- (m) the going concern excess or going concern unfunded liability in the plan and, where there is a going concern excess, any intended application of that excess in accordance with section 7.0.1. O. Reg. 250/18, s. 27 (6).

(8.0.3) Clauses (8.0.2) (e), (f), (g) and (h) do not apply to a report that is in respect of a specified Ontario multi-employer pension plan. O. Reg. 250/18, s. 27 (6).

(8.0.4) Each report under this section with a valuation date on or after December 31, 2017 shall also set out, on the basis of a solvency valuation,

- (a) whether there is a solvency deficiency;
- (b) whether there is a reduced solvency deficiency;
- (c) the special payments remaining to be paid after the valuation date with respect to the solvency deficiency or reduced solvency deficiency determined in any previously filed report;
- (c.1) in the case of a specified Ontario multi-employer pension plan in respect of which section 6.0.5 applies, the amount of the specified consolidated prior solvency deficiency, within the meaning of that section, and the special payments required to liquidate it in accordance with that section;
- (d) if there is a reduced solvency deficiency in the report, the amount of the reduced solvency deficiency and the special payments required to liquidate it in accordance with section 5;
- (e) if there is a solvency deficiency in the report, the amount of the solvency deficiency;
- (f) the liabilities referred to in clauses (a) to (h) of the definition of "solvency liabilities" in subsection 1 (2) that are being excluded from the calculation of the solvency liabilities;
- (g) whether there is a Guarantee Fund assessment required to be paid under section 37;
- (h) if a Guarantee Fund assessment is required to be paid,
 - (i) the pension plan's PBGF assessment base, its PBGF liabilities and, if applicable, the value of "B" described in subsection 37 (4),
 - (ii) the amount of the pension plan's modified PBGF liabilities, as described in subsection (8.0.4.1),
 - (iii) the number of Ontario plan beneficiaries,
 - (iv) the number of Ontario plan beneficiaries who are receiving pensions under the pension plan, including any bridging benefit, of \$1,500 or less per month,
 - (v) the number of Ontario plan beneficiaries who have accrued pension benefits under the pension plan, including any bridging benefit, of \$1,500 or less per month,

- (vi) the 10th, 20th, 30th, 40th, 50th, 60th, 70th, 80th and 90th percentiles of amounts payable under the pension plan to Ontario plan beneficiaries, determined with reference to,
 - (A) all of the pensions under the pension plan, including any bridging benefit, and
 - (B) all of the pension benefits that have accrued under the pension plan, including any bridging benefit,
 - (vii) for each percentile referred to in subclause (vi), the amount of the PBGF liabilities that relates to,
 - (A) all of the pensions under the pension plan, including any bridging benefit, that are less than the percentile, and
 - (B) all of the pension benefits that have accrued under the pension plan, including any bridging benefit, that are less than the percentile, and
 - (viii) the amount of the largest pension or pension benefit that has accrued under the pension plan, including any bridging benefit, to an Ontario plan beneficiary;
- (i) whether the transfer ratio is less than one;
 - (j) if the transfer ratio is less than one, the transfer ratio; and
 - (k) the solvency ratio. O. Reg. 250/18, s. 27 (6); O. Reg. 400/19, s. 6 (3); O. Reg. 529/21, s. 2 (1); O. Reg. 533/21, s. 9 (2).

(8.0.4.1) The amount of a pension plan's modified PBGF liabilities for the purpose of subclause (8.0.4) (h) (ii) is the amount of the pension plan's PBGF liabilities in respect of,

- (a) all Ontario plan beneficiaries who are receiving a pension under the pension plan, including any bridging benefit, of \$1,500 or less per month or who have accrued a pension benefit under the pension plan, including any bridging benefit, of \$1,500 or less per month; and
- (b) all other Ontario plan beneficiaries who are receiving a pension under the pension plan, including any bridging benefit, or who have accrued a pension benefit under the pension plan, including any bridging benefit, calculated as if each of those individuals were receiving a pension of \$1,500 per month or had accrued a pension benefit of \$1,500 per month, as the case may be. O. Reg. 529/21, s. 2 (2).

(8.0.4.2) Subclauses (8.0.4) (h) (ii) to (viii) do not apply to a report that is in respect of a pension plan whose PBGF liabilities are less than \$10,000,000. O. Reg. 529/21, s. 2 (2).

(8.0.5) Each report under this section with a valuation date on or after December 31, 2017 shall set out any available actuarial surplus for each year up to the date of the next report. O. Reg. 250/18, s. 27 (6).

(8.0.6) If the report indicates that contributions were determined using subsection 4 (2.1.1) or 6 (4.4), the report shall include the information required by clauses (7) (c.1), (c.2), (d), (e) and (f) and (8) (b.1) of this section, calculated in accordance with those provisions as they read immediately before May 1, 2018. O. Reg. 250/18, s. 27 (6).

(8.1) A report prepared under subsection (1) in which a benefit allocation method was not used to set contribution rates must,

- (a) if the plan is not a jointly sponsored pension plan, set out the contribution rate or rates that are required under the pension plan;
 - (a.1) if the plan is a jointly sponsored pension plan, set out the required contribution rate or rates that are determined in accordance with paragraph 6 of subsection 4 (2.3) and, if applicable, the required contribution rates that are determined in accordance with paragraph 7 or 10 of that subsection;
- (b) identify the normal cost or the equivalent of normal cost determined using the actuarial cost method adopted by the pension plan;

- (c) include the information required under subsection (7) or (8.0.2), as applicable, determined using a benefit allocation method; and
 - (d) include the information required under subsection (8) or (8.0.4), (8.0.5) and (8.0.6), as applicable. O. Reg. 116/06, s. 13; O. Reg. 570/06, s. 4 (2); O. Reg. 250/18, s. 27 (7).
- (9) Each report under this section shall also set out the prior year credit balance on the valuation date of the report. O. Reg. 712/92, s. 10; O. Reg. 250/18, s. 1.
- (9.1) Each report under this section for a designated plan shall contain a maximum funding valuation. O. Reg. 73/95, s. 4 (2).
- (10) The administrator shall file each report required under this section within nine months of the valuation date. O. Reg. 712/92, s. 10.
- (10.1) REVOKED: O. Reg. 287/20, s. 4 (2).
- (11) A report under this section is a prescribed document for the purposes of paragraph 1 of subsection 105 (2) of the Act (extension of time). O. Reg. 306/13, s. 3 (2).

14.1 REVOKED: O. Reg. 178/12, s. 15.

Preparation of reports, certificates

15. (1) The reports and certificates required under section 70 of the Act and under subsection 3 (1) and sections 13 and 14 must be prepared by an actuary. O. Reg. 144/00, s. 10 (1).

(2) Despite subsection (1), reports and certificates in respect of,

- (a) a pension plan where all pension benefits are defined contribution benefits;
- (b) a fully insured pension plan, established prior to the 1st day of January, 1987 underwritten by a contract or contracts with an insurance company and that does not require any contributions to be made by employees; or
- (c) a pension plan underwritten by a contract or contracts issued under the *Government Annuities Act* (Canada),

may be made by an accountant or a person authorized by an insurance company, a trust corporation or by the Annuities Branch of the Department of Labour of the Government of Canada, responsible for administering the pension plan or pension fund. R.R.O. 1990, Reg. 909, s. 15 (2); O. Reg. 144/00, s. 10 (2).

Methods and actuarial assumptions for reports

16. (1) An actuary preparing a report under section 70 of the Act or under section 3, 13 or 14 shall use methods and actuarial assumptions that are consistent with accepted actuarial practice and with the requirements of the Act and this Regulation. O. Reg. 144/00, s. 11; O. Reg. 178/12, s. 16 (1).

(2) An actuary preparing a report under section 4 shall use his or her best effort to meet the standards set out in subsection (1). O. Reg. 712/92, s. 11.

(3) The person preparing a report referred to in subsection (1) or (2) shall certify that it meets the requirements of subsection (1) or (2), as the case may be. O. Reg. 712/92, s. 11.

(4) The person preparing a report referred to in subsection (2) shall disclose in the report any respect in which the report does not meet the standards set out in subsection (1). O. Reg. 712/92, s. 11.

(4.1) A person preparing a report under subsection (1) or (2) shall use actuarial cost methods and assumptions,

(a) that include a benefit allocation method or a cost allocation method; and

(b) that are consistent with part 3000 ("Pension Plans") of the *Standards of Practice* of the Actuarial Standards Board, published by the Canadian Institute of Actuaries, as amended from time to time. O. Reg. 116/09, s. 2; O. Reg. 420/19, s. 2.

(5) REVOKED: O. Reg. 178/12, s. 16 (2).

Actuarial information summary

16.1 (1) A report filed under section 3 or 14 or submitted under section 4 or 13 must be accompanied by an actuarial information summary. O. Reg. 178/12, s. 17 (1).

(2) The actuarial information summary must be signed by the actuary who signs the report. O. Reg. 144/00, s. 12; O. Reg. 178/12, s. 17 (2).

(3) The actuarial information summary must be prepared in a form approved by the Chief Executive Officer. O. Reg. 144/00, s. 12; O. Reg. 178/12, s. 17 (3); O. Reg. 149/19, s. 1.

Copy of report for agent of administrator

16.2 If an agent of the administrator of a pension plan is responsible for receiving contributions under the plan, the administrator shall give the agent a copy of every report submitted under section 13 or filed under section 14. O. Reg. 144/00, s. 12.

Special order for preparation of report, s. 87 (6) of the Act

16.3 (1) The following circumstances are prescribed for the purposes of subsection 87 (6) of the Act with respect to a valuation report:

1. Since the valuation date of the report most recently filed or submitted in respect of a pension plan under section 3, 4, 13 or 14 of this Regulation,

i. there has been a decline in the number of members of the pension plan,

ii. there has been a decrease in the total amount of contributions or in the amount of contributions in respect of the normal cost made to the plan by the employer or by a person or entity required to make contributions under the plan on behalf of the employer,

iii. there has been a decrease in the going concern assets or solvency assets, or

iv. the employer has sold, assigned or otherwise disposed of all or part of the employer's business or all or part of the assets of the employer's business to another person or entity.

O. Reg. 213/17, s. 1; O. Reg. 66/22, s. 1 (1).

(2) For the purposes of subsection 87 (6) of the Act, the following is a prescribed type of report in respect of a pension plan:

1. An auditor's report respecting financial statements filed under section 76 with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits. O. Reg. 66/22, s. 1 (2).

VALUATION

Valuation, solvency liabilities and solvency assets

17. (1) To determine the existence of a solvency deficiency or reduced solvency deficiency for the purposes of a report under section 3, 4, 13 or 14, a valuation shall be performed by the person preparing the report to determine the solvency liabilities of the plan and the solvency assets of the plan. R.R.O. 1990, Reg. 909, s. 17 (1); O. Reg. 712/92, s. 12; O. Reg. 250/18, s. 28.

(2) In determining the solvency liabilities for a multi-employer pension plan established pursuant to one or more collective agreements or a trust agreement or a pension plan that provides 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, the solvency liabilities shall be determined on the basis of the benefits structure set out in the plan at the date of the valuation without consideration of any provision for the possible reduction of such benefits. R.R.O. 1990, Reg. 909, s. 17 (2).

ANNUAL INFORMATION RETURN

Filing of annual information return, PBGF assessment certificate

18. (1) Subject to subsection 29 (4), the administrator of a pension plan shall file the annual information return required under section 20 of the Act not later than six months after the end of the fiscal year of the plan, in the case of a plan that provides only defined contribution benefits, and not later than nine months after the end of the fiscal year of the plan, in the case of any other plan. O. Reg. 712/92, s. 13 (1); O. Reg. 287/20, s. 5 (1) et (2).

(2) REVOKED: O. Reg. 287/20, s. 5 (4).

(3)-(5) REVOKED: O. Reg. 307/98, s. 8 (1).

(6) REVOKED: O. Reg. 178/12, s. 18 (1).

(7) The administrator of a pension plan providing defined benefits (other than a designated plan, an individual pension plan or a plan described in subsection 6 (1)) shall file a Pension Benefits Guarantee Fund assessment certificate. O. Reg. 178/12, s. 18 (2).

(8) REVOKED: O. Reg. 178/12, s. 18 (3).

(8.1) A certificate referred to in subsection (7) must be in a form approved by the Chief Executive Officer. O. Reg. 307/98, s. 8 (2); O. Reg. 178/12, s. 18 (4); O. Reg. 149/19, s. 1.

(9) REVOKED: O. Reg. 178/12, s. 18 (5).

COMMUTED VALUE AND PORTABILITY OF PENSION BENEFITS

Benefits that result from voluntary contributions for past service

18.1 For the purposes of paragraph 2.1 of subsection 39 (5) of the Act (exclusions from entitlement to excess amount),

“benefits that result from voluntary contributions for past service” means, with respect to a member of a pension plan, pension benefits credited to the member as a result of his or her election on or after March 3, 2000 under the plan to make voluntary contributions in order to purchase pension benefits relating to a period of employment before the date on which the member made the election. O. Reg. 144/00, s. 13.

Commuted value

19. (1) For the purposes of section 42 of the Act, the commuted value of a pension, deferred pension or ancillary benefit shall not be less than the value determined in accordance with section 3500 (“Pension Commuted Values”) of the *Standards of Practice* of the Actuarial Standards Board, published by the Canadian Institute of Actuaries, as amended from time to time. O. Reg. 178/12, s. 19 (1); O. Reg. 390/15, s. 1; O. Reg. 49/17, s. 1 (1); O. Reg. 420/19, s. 3 (1).

(1.0.1) For a pension plan described in subsection 14 (2) or (3) of the Act, section 3500 of the *Standards of Practice* of the Actuarial Standards Board, published by the Canadian Institute of Actuaries, as amended from time to time, is to be applied for the purposes of subsection (1) of this section as if subsection 14 (1) of the Act applied in respect of the pension plan. O. Reg. 420/19, s. 3 (2).

(1.1) Subsection (1) does not apply if a pension plan is being wound up in whole or in part. O. Reg. 629/92, s. 1 (1).

(1.2) For purposes other than those of section 42 of the Act and subsection 29 (2), the commuted value of a pension, deferred pension or ancillary benefit shall be calculated using methods and actuarial assumptions that are consistent with accepted actuarial practice. O. Reg. 144/00, s. 14; O. Reg. 49/17, s. 1 (2).

(2) That portion of the commuted value of a pension, deferred pension or ancillary benefit that can be transferred from a pension plan as of a given date shall be determined by multiplying the commuted value, as determined in accordance with subsection (1), by the lesser of,

(a) the most recently determined transfer ratio;

(b) one. R.R.O. 1990, Reg. 909, s. 19 (2).

(3) Subject to subsection (4), where the transfer ratio of a pension plan is equal to or greater than one, the administrator may transfer the commuted value of a pension, deferred pension or ancillary benefit in accordance with section 42, 43, 48 or 67.6 of the Act. R.R.O. 1990, Reg. 909, s. 19 (3); O. Reg. 288/11, s. 2.

(4) Where the administrator of a plan knows or ought to know that, since the valuation date of the report most recently filed or submitted in respect of the plan under section 3, 4, 13 or 14, events have taken place that may result in the reduction of the transfer ratio of the plan to a value less than 0.9, the administrator shall not undertake the transfer described in subsection (3) without the prior approval of the Chief Executive Officer under subsection 42 (8) of the Act. O. Reg. 712/92, s. 14 (1); O. Reg. 178/12, s. 19 (2); O. Reg. 149/19, s. 1.

(5) If the transfer ratio of a plan is less than one and the administrator of the plan knows or ought to know that, since the valuation date of the report most recently filed or submitted in respect of the plan under section 3, 4, 13 or 14, events have taken place that may result in the reduction of the transfer ratio by 10 per cent or more of the most recently determined transfer ratio, the administrator shall not undertake a transfer of any part of the commuted value without the prior approval of the Chief Executive Officer under subsection 42 (8) of the Act. O. Reg. 239/09, s. 9 (1); O. Reg. 149/19, s. 1.

(5.1) If the commuted value of the pension, deferred pension or ancillary benefit is calculated on a basis that produces a commuted value higher than the value calculated on the basis prescribed under subsection (1), the administrator shall not make any transfer calculated on the higher basis until the administrator files a statement describing in detail the basis for calculating the commuted value. O. Reg. 712/92, s. 14 (1); O. Reg. 787/93, s. 1 (2); O. Reg. 307/98, s. 9.

(6) Subject to subsections (4) and (5), the administrator may transfer 100 per cent of the commuted value of a pension, deferred pension or an ancillary benefit from a pension plan that has a transfer ratio that is less than one where,

(a) the administrator of the plan is satisfied that an amount equal to the transfer deficiency has been remitted to the pension fund; or

(b) the aggregate of transfer deficiencies for all transfers made since the last review date does not exceed 5 per cent of the assets of the plan at that time. R.R.O. 1990, Reg. 909, s. 19 (6); O. Reg. 116/06, s. 15 (1); O. Reg. 239/09, s. 9 (2).

(7) If less than 100 per cent of the commuted value of a pension, deferred pension or ancillary benefit is transferred, the balance shall be transferred by the administrator within five years after the date of the initial transfer. O. Reg. 629/92, s. 1 (2).

(7.1) Interest shall accumulate, at the same rate used to calculate the commuted value of the pension, deferred pension or ancillary benefit, on the balance to be transferred under subsection (7). O. Reg. 629/92, s. 1 (2).

(7.2) A transfer under subsection (7) after the initial transfer shall be made in accordance with subsection (6). O. Reg. 629/92, s. 1 (2).

(8) Subsections (2) to (7) do not apply with respect to the following transfers:

1. Amounts transferred pursuant to a reciprocal transfer agreement that is filed.
2. Amounts that are paid under subsection 44 (7) of the Act.
3. Amounts that are paid under subsection 50 (1) of the Act. O. Reg. 178/12, s. 19 (3).

(9) REVOKED: O. Reg. 116/06, s. 15 (2).

(10) REVOKED: O. Reg. 570/06, s. 5.

Elections under s. 42 of the Act

20. (1) A former member or retired member of a pension plan who makes an election under section 42 of the Act shall deliver a completed direction to the administrator within 60 days after termination of employment or termination of membership in the pension plan, as the case may be. O. Reg. 49/17, s. 2.

(2) The administrator shall comply with an election made under subsection (1) within sixty days after the receipt of all information required by the administrator to comply with the direction. R.R.O. 1990, Reg. 909, s. 20 (2).

(3) The administrator shall not transfer the commuted value of a pension or deferred pension into a prescribed retirement savings arrangement or for the purchase of a life annuity except where the transferee agrees to administer the amount in accordance with the Act and this Regulation. O. Reg. 235/14, s. 1.

Transfers into prescribed retirement savings arrangements, s. 42 (1) (b) or 42 (12) of the Act

21. (1) This section governs the transfer of an amount equal to the commuted value of a deferred pension or pension under clause 42 (1) (b) of the Act or subsection 42 (12) of the Act into a prescribed retirement savings arrangement. O. Reg. 409/94, s. 3 (1); O. Reg. 49/17, s. 3.

(1.1) The following are the prescribed retirement savings arrangements:

1. A life income fund.
 - 1.1 A locked-in retirement income fund.
2. A locked-in retirement account.
3. An RRIF.
4. An RRSP. O. Reg. 409/94, s. 3 (1); O. Reg. 144/00, s. 15 (1).

(1.2) If the amount to be transferred does not exceed the amount prescribed for such a transfer under the *Income Tax Act* (Canada), it must be transferred into a life income fund or a locked-in retirement account. O. Reg. 144/00, s. 15 (2); O. Reg. 239/09, s. 10 (1).

(1.3) Section 22.2 applies if the amount to be transferred is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada). In that circumstance, the amount prescribed must be transferred into a life income fund or a locked-in retirement account. O. Reg. 144/00, s. 15 (2); O. Reg. 239/09, s. 10 (2).

(1.4), (1.5) REVOKED: O. Reg. 144/00, s. 15 (2).

(2)-(4) REVOKED: O. Reg. 239/09, s. 10 (3).

(5) REVOKED: O. Reg. 558/94, s. 2 (4).

Conversion of defined benefits to defined contribution benefits — transfers above specified amount

21.1 (1) This section applies if an amendment to a pension plan with defined benefits converts them to defined contribution benefits. O. Reg. 409/94, s. 4; O. Reg. 144/00, s. 16 (1).

(2) A member with defined benefits who elects to convert them in accordance with the amendment to the pension plan is entitled to require the administrator to pay to the member that portion of the amount of the commuted value of the defined benefits that exceeds the amount prescribed under the *Income Tax Act* (Canada) for the conversion of defined benefits under the plan to defined contribution benefits. O. Reg. 144/00, s. 16 (2).

(3)-(5) REVOKED: O. Reg. 144/00, s. 16 (2).

Insurance contracts under which life annuities provided resulting from transfer or purchase

22. (1) An insurance contract under which a deferred or immediate life annuity will be provided resulting from the transfer of the commuted value of a pension benefit or from the transfer of an amount from a retired member's variable benefit account or as the result of a purchase from a life income fund, a locked-in retirement income fund or a locked-in retirement account shall set out that,

- (a) no money transferred, including interest, will be assigned, charged, anticipated or given as security except as permitted by an order under the *Family Law Act*, a family arbitration award or a domestic contract;
- (b) an order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the annuitant to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date;
- (c) in the case of the unexpired period of a guaranteed annuity, the annuitant may commute a benefit provided under the annuity only for the purpose of purchasing a life income fund;
- (c.1) in the case of the unexpired period of a guaranteed annuity where the annuitant is deceased, the annuitant's spouse, if any, may surrender or commute the benefit provided under the annuity during the spouse's lifetime;
- (d) a transaction that contravenes clause (a), (c) or (c.1) is void;
- (e) where the annuitant has a spouse at the time payments commence, the annuity shall be in the form of a joint and survivor annuity as required by section 44 of the Act unless the annuitant and the spouse provide a waiver as set out in section 46 of the Act;
- (f) the amount of the life annuity will be determined on a basis that does not take into account the sex of the annuitant, except,
 - (i) in the case of a contract that is based entirely upon an amount or amounts transferred from a defined contribution pension plan administered in accordance with clause 52 (2) (b) of the Act, or
 - (ii) in the case of a contract that is purchased with funds from a life income fund, a locked-in retirement income fund or a locked-in retirement account, the purchase is in accordance with Schedule 1, 1.1, 2 or 3 to this Regulation; and
- (g) on the death of the annuitant before payment of the annuity, the annuity shall be administered in accordance with section 48 of the Act. R.R.O. 1990, Reg. 909, s. 22; O. Reg. 564/92, s. 2 (1-3); O. Reg. 558/94, s. 4; O. Reg. 115/00, s. 2; O. Reg. 144/00, s. 17 (1-4); O. Reg. 324/05, s. 2; O. Reg. 239/09, s. 11 (1-3); O. Reg. 288/11, s. 4; O. Reg. 178/12, s. 21; O. Reg. 369/19, s. 1 (1).

(2) The insurance contract must provide that, if a life income fund is being purchased as authorized by clause (1) (c), the financial institution disclose to the annuitant the difference between the commuted value of the annuity and the amount that will be transferred to the life income fund. O. Reg. 239/09, s. 11 (4).

(3) Clause 22 (1) (e) does not apply to a life annuity purchased under subsection 39.1 (4) of the Act. O. Reg. 369/19, s. 1 (2).

TRANSFERS INTO AND WITHDRAWALS FROM PRESCRIBED RETIREMENT SAVINGS ARRANGEMENTS

Transfers into registered retirement savings arrangements

22.1 (1) This section applies when a person is authorized under subsection 39 (4.1), 44 (8), 48 (4) or (8.2), 50 (3) or 63 (9) of the Act to deliver a direction to the administrator of a pension plan requiring the administrator to pay an amount into a registered retirement savings arrangement. O. Reg. 178/12, s. 22.

(2) The person must deliver the direction to the administrator within 90 days after the administrator notifies the person that the person is entitled to require the amount to be paid into a registered retirement savings arrangement. O. Reg. 178/12, s. 22.

(3) The administrator must pay the amount into the registered retirement savings arrangement in accordance with section 50.1 of the Act within 60 days after receiving the direction. O. Reg. 178/12, s. 22.

Transfers into prescribed retirement savings arrangements above specified amount

22.2 (1) This section applies if the amount to be transferred under clause 42 (1) (b) of the Act or subsection 42 (12) of the Act into a prescribed retirement savings arrangement is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada). O. Reg. 144/00, s. 18; O. Reg. 49/17, s. 4 (1).

(2) The portion of the amount to be transferred that does not exceed the amount prescribed for such a transfer under the *Income Tax Act* (Canada) must be transferred into a life income fund or a locked-in retirement account. O. Reg. 144/00, s. 18; O. Reg. 239/09, s. 13.

(3) If the excess amount has been transferred directly or indirectly into a life income fund, a locked-in retirement income fund or a locked-in retirement account, the owner of the fund or account may, upon application in accordance with this section, withdraw money from the fund or account in an amount not greater than the sum of,

(a) the excess amount; and

(b) any subsequent investment earnings, including any unrealized capital gains or losses, attributable to the excess amount as calculated by the financial institution that administers the fund or account. O. Reg. 144/00, s. 18.

(4) The amount that may be withdrawn under subsection (3) is calculated as of the date on which the financial institution pays the money to the owner from the fund or account in accordance with this section. O. Reg. 144/00, s. 18.

(5) An application to withdraw money from a fund or account must be given to the financial institution that administers the fund or account. O. Reg. 144/00, s. 18.

(6) The application must be made on a form approved by the Chief Executive Officer. O. Reg. 144/00, s. 18; O. Reg. 149/19, s. 1.

(7) The application form must be signed by the owner and accompanied by one of the following documents:

1. A written statement from the administrator of the pension plan from which money was transferred into the fund or account setting out the excess amount that was transferred into the fund or account.

2. A written statement from the Canada Revenue Agency setting out the excess amount that was transferred into the fund or account. O. Reg. 144/00, s. 18; O. Reg. 242/00, s. 1; O. Reg. 386/04, s. 5.

(8) The contract governing the fund or account must include the following terms and, if it does not, the contract shall be deemed to include them:

1. The financial institution is entitled to rely upon the information provided by the owner in an application made under this section.
2. An application that meets the requirements of this section constitutes authorization to the financial institution to make the payment from the fund or account, as the case may be, in accordance with this section.
3. The financial institution is required to make the payment to which the owner is entitled under this section within 30 days after the financial institution receives the completed application form and accompanying document. O. Reg. 144/00, s. 18; O. Reg. 416/07, s. 4.

(9) In this section,

“excess amount” means the portion of the amount transferable under clause 42 (1) (b) of the Act or subsection 42 (12) of the Act into a prescribed retirement savings arrangement that is greater than the amount prescribed for such a transfer under the *Income Tax Act* (Canada). O. Reg. 144/00, s. 18; O. Reg. 49/17, s. 4 (2).

COMMUTATION OR SURRENDER OF PRESCRIBED RETIREMENT SAVINGS ARRANGEMENTS

Prescribed retirement savings arrangements, s. 67 (4) of the Act

22.3 The following prescribed retirement savings arrangements are prescribed for the purposes of subsection 67 (4) of the Act:

1. A life income fund.
2. A locked-in retirement account.
3. A locked-in retirement income fund. O. Reg. 185/13, s. 1.

22.4, 22.5 REVOKED: O. Reg. 239/09, s. 14.

RECIPROCAL AGREEMENTS

Agreements with authorized representatives of designated jurisdictions

23. (1) This section applies if there is an agreement under section 95 of the Act between the Authority and authorized representatives of one or more designated jurisdictions. O. Reg. 342/10, s. 3; O. Reg. 149/19, s. 6.

(2) If the agreement so provides, a pension plan with the plurality of members employed in a designated jurisdiction is exempted from registration or audit under the Act. O. Reg. 342/10, s. 3.

(3) In order to determine, for the purposes of subsection (2), where the plurality of the members of a pension plan are employed, only those members who are employed in Ontario or in any of the designated jurisdictions shall be counted. O. Reg. 342/10, s. 3.

INTEREST

Crediting interest on contributions**24. (1)** In this section,

“bank deposit rate” means, as of a particular date, the rate calculated on the basis of the average of the yields of five-year personal fixed-term chartered bank deposit rates using the rate reported for the last Wednesday of each month as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V80691336 compiled by Statistics Canada and available on the website maintained by the Bank of Canada, over a reasonably recent period such that the averaging period does not exceed 12 months; (“taux servi sur les dépôts bancaires”)

“pension fund rate of return” means, as of a particular date in relation to a contribution to a particular pension plan, such rate of return, over a reasonably recent period that does not exceed 12 months, as can reasonably be attributed to the operation of the pension fund or to the part of the pension fund to which the contribution is made. (“taux de rendement de la caisse de retraite”) O. Reg. 178/12, s. 23 (2); O. Reg. 287/20, s. 6.

(2) The following rules govern the crediting of interest on contributions made by or on behalf of members, former members and retired members to a pension plan that provides defined contribution benefits:

1. Crediting of interest: The contributions and additional voluntary contributions made to the pension fund by or on behalf of members, former members and retired members must be credited, at least annually, with interest calculated in accordance with this subsection.
2. Accrual: The interest on a contribution begins to accrue no later than the first day of the month after the month in which the contribution must be paid into the pension fund or, in the case of an additional voluntary contribution, no later than the first day of the month after the month in which the contribution is paid into the pension fund.
3. Rate: The interest on contributions, other than additional voluntary contributions, must be calculated at a rate that is not less than the pension fund rate of return. However, if the pension benefits are guaranteed by an insurance company, interest on the contributions must be calculated at a rate that is not less than the bank deposit rate.
4. Rate for additional voluntary contributions: The interest on additional voluntary contributions must be calculated at the pension fund rate of return.
5. Averaging the rate: When crediting contributions or additional voluntary contributions made during a fiscal year of a pension plan, the administrator may use an average rate for that fiscal year determined in accordance with paragraph 3 or 4 instead of the particular rate in effect when the interest is accrued. O. Reg. 178/12, s. 23 (2).

(3) The following rules govern the crediting of interest on contributions made by members, former members and retired members to a pension plan that provides defined benefits:

1. Crediting of interest: The contributions and additional voluntary contributions made to the pension fund by members, former members and retired members must be credited, at least annually, with interest calculated in accordance with this subsection.
2. Accrual: The interest on a contribution begins to accrue no later than the first day of the month after the month in which the contribution must be paid into the pension fund or, in the case of an additional voluntary contribution, no later than the first day of the month after the month in which the contribution is paid into the pension fund.
3. Rate: The interest on contributions, other than additional voluntary contributions, must be calculated at a rate that is not less than the bank deposit rate. However, there are two exceptions to this requirement. If the pension plan so provides, the interest on the contributions may be calculated at a rate that is not less than the pension fund rate of return. If the pension benefits are guaranteed by an insurance company, interest on the contributions must be calculated at a rate that is not less than the bank deposit rate.
4. Rate for additional voluntary contributions: The interest on additional voluntary contributions must be calculated at such rate of return as can reasonably be attributed to the operation of the pension fund or to the part of the pension fund to which the contributions are made.

5. Averaging the rate: When crediting contributions or additional voluntary contributions made during a fiscal year of a pension plan, the administrator may use an average rate for that fiscal year determined in accordance with paragraph 3 or 4 instead of the particular rate in effect when the interest is accrued. O. Reg. 178/12, s. 23 (2).

(4) For a pension plan that provides both defined contribution benefits and defined benefits, the contributions must be credited with the interest described in subsection (2) or (3), whichever is appropriate in the circumstances. O. Reg. 178/12, s. 23 (2).

(5) Upon the termination of employment or membership of a member, the contributions, if any, made by or on behalf of the member during that fiscal year must be credited with interest at the rate most recently calculated in accordance with subsection (2) or (3), as the case requires, and interest must be credited at least to the month in which the termination occurred. O. Reg. 178/12, s. 23 (2).

(6) This section applies with respect to contributions made after December 31, 1987. O. Reg. 178/12, s. 23 (2).

(7) This section applies with respect to contributions made before January 1, 1988 that remain in a pension fund after December 31, 1987. O. Reg. 178/12, s. 23 (2).

Interest on other payments

24.1 (1) If a person is entitled to be paid a lump sum from a pension plan, the amount owing to him or her accumulates interest from the date of termination until the beginning of the month in which the lump sum is paid. O. Reg. 178/12, s. 23 (2).

(2) The interest is calculated at the same rate that is used to calculate interest on contributions to the plan made by members and former members. O. Reg. 178/12, s. 23 (2).

Interest in case of transfer

24.2 (1) If an amount equal to the commuted value of a former member's deferred pension or a retired member's pension becomes payable under subsection 42 (1) or (12) of the Act, the amount accumulates interest from the date on which the former member or retired member terminates his or her membership in the pension plan until the beginning of the month in which the amount is paid. O. Reg. 49/17, s. 5.

(2) The interest is calculated at the same rate that was used to calculate the commuted value. O. Reg. 178/12, s. 23 (2).

Interest, order for repayment

24.3 An order under subsection 42 (9) or 43 (5) of the Act to repay an amount must include interest at the postjudgment interest rate as defined in subsection 127 (1) of the *Courts of Justice Act*, calculated from the date of the transfer of funds to which the order relates. O. Reg. 178/12, s. 23 (2).

Interest in case of wind up

24.4 (1) If, under subsection 73 (2) of the Act, an amount equal to the commuted value of a person's pension benefit becomes payable, the amount accumulates interest from the effective date of the wind up of the pension plan until the beginning of the month in which the amount is paid. O. Reg. 178/12, s. 23 (2).

(2) The interest is calculated at the same rate that was used to calculate the commuted value for the purposes of the wind up report. O. Reg. 178/12, s. 23 (2).

Interest in case of order to return assets

24.5 An order under subsection 79.2 (15) of the Act for the return of assets to a pension fund must include interest at the post judgment interest rate as defined in subsection 127 (1) of the *Courts of Justice Act*, calculated from the date of the transfer of assets to which the order relates. O. Reg. 178/12, s. 23 (2); O. Reg. 306/13, s. 4.

SURPLUS WITHDRAWAL APPLICATION — CONTINUING PLAN**Notice re application for payment of surplus**

25. (1) The following information is prescribed for the purposes of a notice respecting an application under subsection 78 (2) of the Act:

1. The name of the pension plan and its provincial registration number.
2. The valuation date of the report provided with the application and the amount of surplus in the pension plan.
3. REVOKED: O. Reg. 178/12, s. 24 (4).
4. The amount of surplus withdrawal requested.
5. A statement that submissions in respect of the application may be made in writing to the Chief Executive Officer within thirty days after receipt of the notice.
6. The contractual authority, if any, for surplus withdrawals.
7. Notice that copies of the report and certificates filed with the Chief Executive Officer in support of the surplus request are available for review at the offices of the employer and information on how copies of the report may be obtained. R.R.O. 1990, Reg. 909, s. 25 (1); O. Reg. 712/92, s. 15; O. Reg. 307/98, s. 10 (1, 2); O. Reg. 178/12, s. 24 (1, 2); O. Reg. 149/19, s. 1.

(2) The employer shall file a copy of the notice required by subsection 78 (2) of the Act before transmitting it to the persons required by that subsection. O. Reg. 307/98, s. 10 (3).

(3) REVOKED: O. Reg. 629/92, s. 3.

(4) An application under subsection 78 (2) of the Act must be accompanied by the following information and documents:

1. A certified copy of the notice of the application.
2. Details as to the classes of persons who received the notice and the date on which the last notice was distributed.
3. A statement indicating that the requirements of subsection 78 (2) of the Act are satisfied.
4. A current report demonstrating that a surplus, as determined in accordance with section 26 of this Regulation, exists and that there are no special payments required to be made to the pension fund. O. Reg. 178/12, s. 24 (3).

(5) REVOKED: O. Reg. 178/12, s. 24 (3).

Continuing pension plan, determination of surplus

26. (1) For purposes of determining surplus in a continuing pension plan,

- (a) the value of the assets of the pension plan shall be calculated on the basis of the market value of the investments held by the pension fund plus any cash balances and accrued or receivable items; and
- (b) the value of the liabilities of the pension plan shall be the greater of “A” and “B” or, if a benefit allocation method is not used to set contribution rates, the greatest of “A”, “B” and “C”, where,

“A” is the sum of going concern liabilities determined using a benefit allocation method and the amount equal to the provision for adverse deviations in respect of going concern liabilities determined using the benefit allocation method, as disclosed in the last valuation report,

“B” is the sum of solvency liabilities and liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities, and

“C” is the going concern liabilities determined under the actuarial cost method used by the plan.

R.R.O. 1990, Reg. 909, s. 26 (1); O. Reg. 250/18, s. 29 (1).

- (2) For the purposes of the definition of “B” in subclause 79 (1) (d) (i) of the Act and subclause 79 (1) (d) (ii) of the Act, the liabilities of the pension plan are the greater of “D” and “E”, or, if a benefit allocation method is not used to set contribution rates, the greatest of “D”, “E” and “F”, where,

“D” is the sum of going concern liabilities determined using a benefit allocation method and the amount equal to the provision for adverse deviations in respect of going concern liabilities determined using the benefit allocation method,

“E” is the sum of the solvency liabilities and the liabilities for benefits, other than pension benefits and ancillary benefits payable under qualifying annuity contracts, that were excluded in calculating the solvency liabilities, and

“F” is the going concern liabilities determined under the actuarial cost method used by the plan.

O. Reg. 250/18, s. 29 (2).

27. REVOKED: O. Reg. 307/98, s. 11.

PLAN WIND UPS

Notices, statements, etc.

28. (1) A notice of the intended wind up of a pension plan, required under section 68 of the Act, shall include,

- (a) the name of the plan and its provincial registration number;
- (b) the proposed date of wind up;
- (c) notice that each member, former member, retired member or any other person entitled to a pension, deferred pension, any other benefit or a refund will be provided with an individual statement setting out entitlements and options under the plan; and
- (d) where a plan provides contributory benefits, notice of the member’s right to make contributions in respect of the period of notice of termination of employment required under Part XV of the *Employment Standards Act, 2000*. R.R.O. 1990, Reg. 909, s. 28 (1); O. Reg. 386/04, s. 6 (1); O. Reg. 178/12, s. 26 (1, 2).

(2) In addition to setting out the applicable person's entitlement under the plan and the options available to the person, the statement required by subsection 72 (1) of the Act must include the following information:

1. The name of the pension plan and its provincial registration number.
2. The name and date of birth of the member, former member or retired member.
3. The date of the plan wind up.
4. The date on which the member, former member or retired member joined the plan, and, except in the case of multi-employer pension plans, the date on which he or she was employed by the employer.
5. If applicable, the name of the spouse of the member, former member or retired member, as indicated on the records of the administrator.
6. The amount of required contributions made by the member, former member or retired member to the pension fund since the date of the last annual statement provided under section 27 of the Act.
7. The accumulated amount of required contributions made by the member, former member or retired member to the pension fund, including interest credited to such contributions, to the date of the plan wind up.
8. The amount of additional voluntary contributions made by the member, former member or retired member to the pension fund since the date of the last annual statement provided under section 27 of the Act.
9. The accumulated amount of additional voluntary contributions made by the member, former member or retired member to the pension fund, including interest credited to such contributions, to the date of the wind up.
10. Any amount transferred since the date of the last annual statement provided under section 27 of the Act from another pension plan on behalf of the member, former member or retired member and the pension benefit under the plan attributable to that amount.
11. In the case of a plan providing defined contribution benefits,
 - i. the amount of employer contributions allocated to the member, former member or retired member since the date of the last annual statement provided under section 27 of the Act, and
 - ii. the accumulated amount of employer contributions, including interest credited to such contributions, allocated to the member, former member or retired member on the plan records, to the date of the wind up.
12. In the case of a plan providing defined benefits,
 - i. the member's years of employment or membership for the purpose of the calculation of pension benefits including any period credited under subsection 74 (5) of the Act, and
 - ii. where salary is a factor in determining a pension benefit, the salary level utilized for the purpose of determining the benefit.

13. The rate of interest credited to contributions required to be made by the member, former member or retired member since the date of the last annual statement required under section 27 of the Act.
14. An explanation of any amendments made to the pension plan during the period covered by the statement for which an explanation has not previously been provided under section 40.
15. The time period in which any option must be exercised.
16. If there are insufficient assets to pay all pension benefits, a description of any reductions made to the person's benefits.
17. Notice about where copies of the wind up report are available and information about how copies of the report may be obtained.
18. Notice about the person who the recipient of the statement may contact with respect to any questions arising out of the statement.
19. Notice that the entitlements and options are subject to the approval of the Chief Executive Officer and the approval of the Canada Revenue Agency, and may be adjusted accordingly.
O. Reg. 178/12, s. 26 (3); O. Reg. 149/19, s. 1.

(2.1) Subject to subsection (2.2), the statement required by subsection 72 (1) of the Act must be given to the specified persons within 60 days after the administrator receives notice that the Chief Executive Officer has approved the wind up report. O. Reg. 144/00, s. 21 (4); O. Reg. 149/19, s. 1.

(2.2) If the Chief Executive Officer approves the payment of benefits under subsection 70 (3) of the Act, the statement required by subsection 72 (1) of the Act must be given to the persons affected by the approval within 60 days after the administrator receives notice of it. O. Reg. 144/00, s. 21 (4); O. Reg. 149/19, s. 1.

(3) A recipient of a statement referred to in subsection (2) who is entitled to elect an option shall forward the election to the administrator within ninety days after receipt of the statement. R.R.O. 1990, Reg. 909, s. 28 (3).

(4) Subject to subsections (4.1) and (4.2), the payment required by subsection 72 (3) of the Act must be made within 60 days after the later of,

- (a) the day on which the administrator receives the applicable person's election under subsection (3) or, if no election is made, the day on which the person is deemed to have made the election; and
- (b) the day on which the administrator receives notice that the Chief Executive Officer has approved the wind up report. O. Reg. 144/00, s. 21 (5); O. Reg. 412/17, s. 1 (1); O. Reg. 149/19, s. 1.

(4.1) Subject to subsection (4.2), if the Chief Executive Officer approves the payment of benefits under subsection 70 (3) of the Act, the payment required by subsection 72 (3) of the Act must be made within 60 days after the later of,

- (a) the day on which the administrator receives the election under subsection (3) by the person affected by the approval or, if no election is made, the day on which the person is deemed to have made the election; and
- (b) the day on which the administrator receives notice of the approval. O. Reg. 144/00, s. 21 (5); O. Reg. 412/17, s. 1 (2); O. Reg. 149/19, s. 1.

(4.2) If the Chief Executive Officer defers the giving of approval in respect of the purchase of some or all of the life annuities under subsection 73.1 (2) of the Act, the payment required by subsection 72 (3) of the Act to a person affected by the deferral must be made,

- (a) within 60 days after the later of,
 - (i) the day on which the administrator receives the person's election under subsection (3) or, if no election is made, the day on which the person is deemed to have made the election, and
 - (ii) the day on which the administrator receives notice that the Chief Executive Officer has approved the purchase of a life annuity for the person; or
- (b) if the administrator applies to the Chief Executive Officer for an extension, within such other period of time as the Chief Executive Officer considers appropriate. O. Reg. 412/17, s. 1 (3); O. Reg. 149/19, s. 1.

(5) A notice required under subsection 78 (2) of the Act for a plan that is being wound up shall contain,

- (a) the name of the pension plan and its provincial registration number;
- (b) the valuation date of the report provided with the application and amount of surplus in the pension plan;
- (c) REVOKED: O. Reg. 178/12, s. 26 (4).
- (d) the amount of surplus withdrawal requested;
- (e) a statement that submissions may be made in writing to the Chief Executive Officer within thirty days of receipt of the notice;
- (f) the contractual authority, if any, for surplus reversion; and
- (g) notice that copies of the wind up report filed with the Chief Executive Officer in support of the surplus request are available for review at the offices of the employer and information on how copies of the report may be obtained. R.R.O. 1990, Reg. 909, s. 28 (5); O. Reg. 712/92, s. 16; O. Reg. 307/98, s. 12 (2, 3); O. Reg. 178/12, s. 26 (4, 5); O. Reg. 149/19, s. 1.

(5.1) The employer shall file a copy of the notice required by subsection 78 (2) of the Act before transmitting it to the persons required by that subsection. O. Reg. 307/98, s. 12 (4).

(6) An application by an employer for the consent of the Chief Executive Officer to a payment from a pension plan that is being wound up shall be accompanied by a certified copy of the notice referred to in subsection (5), a statement that subsection 78 (2) of the Act has been complied with, the date the last notice was distributed and details as to the classes of persons who received notice. R.R.O. 1990, Reg. 909, s. 28 (6); O. Reg. 307/98, s. 12 (5); O. Reg. 149/19, s. 1.

Requirements re surplus on wind up

28.1 (1) This section applies if there is a surplus on the wind up of a pension plan in whole or in part. O. Reg. 144/00, s. 22.

(2) The administrator of the pension plan shall give to each person entitled to a pension, deferred pension or other benefit or to a refund in respect of the pension plan a statement setting out the following information:

1. The name of the pension plan and its provincial registration number.
2. The name and date of birth of the member, former member or retired member.
3. The method of distributing the surplus assets.

4. The formula for allocating the surplus among the plan beneficiaries.
5. An estimate of the amount allocated to the person.
6. The options available to the person concerning the method for distributing the amount allocated to the person and the period within which any election respecting the options must be made.
7. The method of distribution that will be used, if an election is not made within the specified period.
8. The name and details of the person to be contacted with respect to any questions arising out of the statement.
9. Notice that the allocation of surplus and the options available for distributing it are subject to the approval of the Chief Executive Officer and of the Canada Revenue Agency, and may be adjusted accordingly. O. Reg. 144/00, s. 22; O. Reg. 242/00, s. 3; O. Reg. 386/04, s. 7; O. Reg. 178/12, s. 27; O. Reg. 149/19, s. 1.

(3) The statement must be given to the specified persons within 60 days after the administrator receives notice that the Chief Executive Officer has approved the wind up report. O. Reg. 144/00, s. 22; O. Reg. 149/19, s. 1.

(4) A person who is entitled to elect an option described in the statement shall give the administrator his or her election within 90 days after the person receives the statement. If the person does not do so, he or she shall be deemed to have elected the method of distribution specified in the statement. O. Reg. 144/00, s. 22.

(5) The administrator shall make payment in accordance with the election or deemed election within 60 days after the later of,

- (a) the day on which the administrator receives the applicable person's election or, if no election is made, the day on which the person is deemed to have made the election; and
- (b) the day on which the administrator receives notice that the Chief Executive Officer has approved the wind up report. O. Reg. 144/00, s. 22; O. Reg. 149/19, s. 1.

Prescribed events and circumstances, Chief Executive Officer requiring wind up

28.2 For the purposes of clause 69 (1) (i) of the Act, the following are prescribed as events and circumstances in which the Chief Executive Officer by order may require the wind up of a pension plan:

1. The pension plan does not have any members. It has only former members, retired members and other beneficiaries who are not members.
2. Members of the pension plan no longer accrue pension benefits or ancillary benefits under the plan and employees are no longer permitted to become members of the pension plan under section 31 of the Act. O. Reg. 178/12, s. 28; O. Reg. 149/19, s. 1.

Wind up report, commuted value, payments, etc.

29. (1) A wind up report required to be filed under subsection 70 (1) of the Act shall be prepared by a person authorized to prepare a report for the plan under section 15. R.R.O. 1990, Reg. 909, s. 29 (1).

(2) If a pension plan is being wound up in whole or in part, the minimum commuted value of a pension, deferred pension or ancillary benefit in respect of a person who exercises his or her entitlement under subsection 73 (2) of the Act is the amount determined as of the effective date of the wind up in accordance with section 3500 ("Pension Commuted Values") of the *Standards of Practice* of the Actuarial Standards Board, published by the Canadian Institute of Actuaries, as amended from time to time. O. Reg. 178/12, s. 29 (1); O. Reg. 390/15, s. 2; O. Reg. 420/19, s. 4 (1).

(2.1) For a pension plan described in subsection 14 (2) or (3) of the Act, section 3500 of the *Standards of Practice* of the Actuarial Standards Board, published by the Canadian Institute of Actuaries, as amended from time to time, is to be applied for the purposes of subsection (2) of this section as if subsection 14 (1) of the Act applied in respect of the pension plan. O. Reg. 420/19, s. 4 (2).

(3) The administrator shall file the wind up report within six months following the effective date of the wind up of the plan in whole or in part. R.R.O. 1990, Reg. 909, s. 29 (3).

(3.1) REVOKED: O. Reg. 287/20, s. 7 (2).

(4) In addition to the wind up report required under subsection 70 (1) of the Act, the administrator of the plan shall file all outstanding annual information returns required to be filed up to the effective date of the wind up of the pension plan within six months after the effective date. R.R.O. 1990, Reg. 909, s. 29 (4); O. Reg. 629/92, s. 5 (2).

(4.1) REVOKED: O. Reg. 287/20, s. 7 (2).

(5) In addition to the wind up report required under subsection 70 (1) of the Act, the administrator of a pension plan that is wound up and that provides a defined benefit shall provide the Chief Executive Officer with such information as the Chief Executive Officer requires to determine the persons whose pension benefits are guaranteed under section 84 of the Act, the amounts of such guaranteed benefits, the amounts to be contributed to the plan under section 75 of the Act and such other information as the Chief Executive Officer requires. R.R.O. 1990, Reg. 909, s. 29 (5); O. Reg. 149/19, s. 1.

(6) Payments of refunds of employee contributions with interest to persons not entitled to a pension, deferred pension or ancillary benefit are prescribed for purposes of subsection 70 (3) of the Act. R.R.O. 1990, Reg. 909, s. 29 (6).

(7) Subject to the requirements of subsection (8), the administrator of a pension plan,

- (a) that is terminated;
- (b) that provides defined benefits; and
- (c) with respect to which no order has been made under subsection 83 (1) of the Act,

may, after the wind up report required under subsection (1) has been approved by the Chief Executive Officer, pay prior to the completion of any additional funding required under section 75 of the Act,

- (d) the accumulated value of any additional voluntary contributions;

- (e) the accumulated value of required contributions made by a member or former member; and
 - (f) the value of any pension, deferred pension or ancillary benefits accrued as of the effective date of the wind up with respect to employment and remuneration until that date in accordance with the plan provisions, to the extent that such benefits have been funded and after appropriate adjustments for any payment made in accordance with clause (e). R.R.O. 1990, Reg. 909, s. 29 (7); O. Reg. 307/98, s. 13 (1); O. Reg. 149/19, s. 1.
- (8) Where an employer is required to make payments into a pension plan under section 75 of the Act and all pensions and other benefits being funded under section 75 of the Act would not be guaranteed under section 84 of the Act,
- (a) no funds of the pension plan shall be used to purchase a life annuity for any person entitled thereto; and
 - (b) where an election is made under clause 42 (1) (a) or (b) of the Act or subsection 42 (12) of the Act, the maximum portion of the commuted value of the pension or deferred pension that may be transferred is the amount, if any, of the contributions the employee was required to make under the plan plus any additional voluntary contributions made by the employee, until a report is filed under section 32 certifying that there is no further amount to be funded or an order is made under subsection 83 (1) of the Act with respect to the plan. R.R.O. 1990, Reg. 909, s. 29 (8); O. Reg. 629/92, s. 5 (3); O. Reg. 307/98, s. 13 (2); O. Reg. 49/17, s. 6).
- (9) Where a pension plan is wound up in whole or in part and the assets of the pension plan are not sufficient to pay all pensions, deferred pensions or ancillary benefits,
- (a) the pension, deferred pension or ancillary benefit to which a person would otherwise be entitled shall be reduced to an amount proportionate to the extent that the benefits had been funded; and
 - (b) where an order has been made under subsection 83 (1) of the Act, benefits attributable to the application of subsection 74 (7) of the Act shall not be included in the determination of a pension, deferred pension or ancillary benefit referred to in clause (a). O. Reg. 178/12, s. 29 (2).
- (10) For the purposes of subsection 73.1 (3) of the Act, the prescribed period within which the Chief Executive Officer shall approve the purchase of life annuities is 10 years after approving the wind up report in respect of the pension plan. O. Reg. 412/17, s. 2; O. Reg. 149/19, s. 1.
- (11) REVOKED: O. Reg. 178/12, s. 29 (3).

Documents to be filed after wind up

29.1 (1) The administrator shall file the following documents within six months after the effective date of the wind up for the period from the most recent fiscal year end to the effective date:

1. An annual information return under section 18.
 2. Financial statements under section 76 for the pension fund or plan. O. Reg. 629/92, s. 6.
- (2) REVOKED: O. Reg. 287/20, s. 8 (2).
- (3) REVOKED: O. Reg. 144/00, s. 24.

(4) Within thirty days after final distribution of the assets of a pension plan under section 70 of the Act, the administrator shall give the Chief Executive Officer written notice that all the assets of the plan have been so distributed. O. Reg. 629/92, s. 6; O. Reg. 149/19, s. 1.

Insufficient assets on wind up of certain JSPPs

29.2 (1) This section applies if either of the following circumstances exist:

1. An employer has transferred assets under section 80.4 of the Act from a single employer pension plan to a jointly sponsored pension plan that is subsequently wound up and the assets of the jointly sponsored pension plan are not sufficient to pay all pensions, deferred pensions or ancillary benefits under the pension plan to any individual who was, on the effective date of the transfer of assets, a member, former member, retired member or other person entitled to benefits under the single employer pension plan.
2. An employer has converted a single employer pension plan under section 81.0.1 of the Act into a jointly sponsored pension plan that is subsequently wound up and the assets of the jointly sponsored pension plan are not sufficient to pay all pensions, deferred pensions or ancillary benefits under the pension plan to any individual who was, on the effective date of the conversion, a member, former member, retired member or other person entitled to benefits under the single employer pension plan. O. Reg. 312/15, s. 2.

(2) The employer of the single employer pension plan shall pay an amount into the jointly sponsored pension plan in respect of each individual described in subsection (1) equal to the amount calculated using the formula,

$$A \times (1 - B)$$

in which,

“A” is the amount calculated as of the date of the jointly sponsored pension plan’s wind up that is equal to the Ontario wind up liability of the pension benefits, pensions, deferred pensions and ancillary benefits of the individual that accrued under the jointly sponsored pension plan as a result of the transfer of assets under section 80.4 of the Act or of the conversion under section 81.0.1 of the Act and as of the effective date of the transfer of assets or of the conversion.

“B” is the wind up funded ratio of the jointly sponsored pension plan as of the date of its wind up.

O. Reg. 312/15, s. 2.

(3) Any amount paid into the jointly sponsored pension plan by an employer under subsection (2) in respect of an individual shall be applied by the administrator of the jointly sponsored pension plan to offset the reduction in the individual’s pension, deferred pension or ancillary benefits under subsection 29 (9). O. Reg. 312/15, s. 2.

(4) If an employer does not pay all of the amounts required under subsection (2) because the employer became bankrupt within the meaning of the *Bankruptcy and Insolvency Act* (Canada), any amounts paid by the employer under that subsection shall be applied by the administrator of the pension plan to offset the reduction in the pensions, deferred pensions and ancillary benefits of all of the individuals described in subsection (1) on a basis proportionate to the amounts that would have been paid by the employer into the pension plan for each individual if the employer had not become bankrupt. O. Reg. 312/15, s. 2.

Wind up report, pension plan providing defined benefits guaranteed by Guarantee Fund

30. (1) This section applies to a pension plan that provides defined benefits guaranteed in whole or in part by the Guarantee Fund. O. Reg. 570/06, s. 6 (2).

(2) A wind up report for a pension plan shall be prepared by,

- (a) determining the value of any additional voluntary contributions, including interest on such contributions, and providing for the immediate payment from the pension fund to each member, former member or retired member of the additional voluntary contributions made by him or her, plus interest;
- (b) determining the liabilities for the commuted value of all benefits under the plan in respect of each member, former member and retired member, including,
 - (i) accrued benefits for members not yet vested under the terms of the plan,
 - (ii) escalated adjustments that have been made before the effective date of the wind up,
 - (iii) plant closure benefits payable on plan wind up,
 - (iv) permanent layoff benefits payable on plan wind up,
 - (v) funded consent benefits,
 - (v.1) benefit enhancements resulting from the application of section 74 of the Act, and
 - (vi) funded special allowances,but not including the value of,
 - (vii) amounts determined under clause (a),
 - (viii) escalated adjustments that have not been made as of the effective date of the wind up,
 - (ix) REVOKED: O. Reg. 570/06, s. 6 (4).
 - (x) prospective benefit increases, and
 - (xi) benefits provided under a qualifying annuity contract or a contract issued under the *Government Annuities Act* (Canada) if the contract was issued before the 1st day of January, 1988;
- (c) increasing the liabilities determined under clause (b) in respect of each member, former member or retired member so that the liabilities in respect of him or her are not less than the minimum value of the required contributions made by him or her to the plan;
- (d) allocating the liabilities determined under clauses (b) and (c) among,
 - (i) employment in Ontario,
 - (ii) employment in each designated jurisdiction, and
 - (iii) employment other than employment referred to in subclauses (i) and (ii);
- (e) determining the difference between the solvency assets and the value of any additional voluntary contributions determined under clause (a), and allocating the difference among the categories of employment set out in clause (d) in proportion to the liabilities allocated under clause (d) to each of the categories;
- (e.1) despite clause (e), if the pension plan is a designated multi-jurisdictional pension plan and if an agreement referred to in subsection 5.1 (1) of the Act provides for the allocation of the assets of the pension plan in accordance with paragraph 3 of subsection 100 (4) of the Act, allocating the assets in accordance with that agreement;
- (f) determining the Ontario wind up liability;

- (g) if the Ontario assets exceed the Ontario wind up liability, first applying the Ontario assets to provide for the Ontario wind up liability and then applying any remaining Ontario assets to provide, on an equitable basis determined by the person preparing the report and acceptable to the Chief Executive Officer, for those benefits included in calculating the basic Ontario liabilities but not included in calculating the Ontario wind up liability;
 - (h) dealing with the portion of the plan assets allocated for the provision of benefits resulting from employment in each designated jurisdiction in accordance with the laws of the jurisdiction; and
 - (i) REVOKED: O. Reg. 342/10, s. 4 (2).
 - (j) dealing on an equitable basis with the portion of plan assets allocated for the provision of benefits from any other employment. O. Reg. 712/92, s. 18; O. Reg. 570/06, s. 6 (3, 4); O. Reg. 342/10, s. 4; O. Reg. 466/11, s. 2; O. Reg. 178/12, s. 30 (2-5); O. Reg. 149/19, s. 1.
- (3) A wind up report shall describe everything done under subsection (2). O. Reg. 712/92, s. 18.
- (4) This section as it read immediately before November 26, 1992 continues to apply with respect to a pension plan with an effective date of wind up before November 26, 1992. O. Reg. 178/12, s. 30 (6).

GROW-IN BENEFITS

Activating events

30.1 (1) For the purposes of paragraph 3 of subsection 74 (1) of the Act, the following circumstances constitute activating events:

1. An employee resigns before the termination date specified in a written notice of termination of employment given to him or her. However, this is not an activating event if subsection 74 (1.1) of the Act applies with respect to the termination. O. Reg. 178/12, s. 31.

(2) For the purposes of subsection 74 (1.1) of the Act, termination of employment is not an activating event in any of the following circumstances:

1. The employee is a construction employee within the meaning of Ontario Regulation 285/01 (When Work Deemed to be Performed, Exemptions and Special Rules) made under the *Employment Standards Act, 2000*.
2. The employee is only on temporary lay-off within the meaning of subsection 56 (2) of the *Employment Standards Act, 2000*. O. Reg. 178/12, s. 31; O. Reg. 536/17, s. 1.

Elections re exclusions from grow in benefits, s. 74.1 of the Act

30.2 (1) This section governs elections under section 74.1 of the Act to exclude certain pension plans and their members from the operation of section 74 of the Act. O. Reg. 178/12, s. 31.

(2) The following are the deadlines for making and filing an election under subsection 74.1 (1) of the Act for a jointly sponsored pension plan and for its members:

1. For a pension plan that is a jointly sponsored pension plan on July 1, 2012, the deadline is July 1, 2013.
2. For a pension plan that becomes a jointly sponsored pension plan after July 1, 2012, the deadline is one year after the date on which the administrator files a statement under subsection 3.2 (1) of this Regulation certifying that the plan satisfies the criteria to be a jointly sponsored pension plan. O. Reg. 178/12, s. 31.

(3) The following are the deadlines for making and filing an election under subsection 74.1 (2) of the Act for a multi-employer pension plan and for its members:

1. For a pension plan that is a multi-employer pension plan on July 1, 2012, the deadline is July 1, 2013.
 2. For a pension plan that becomes a multi-employer pension plan after July 1, 2012, the deadline is one year after the date on which the plan is registered as, or is amended to become, a multi-employer pension plan. O. Reg. 178/12, s. 31.
- (4) The effective date of the election cannot be earlier than the date on which the election is filed. O. Reg. 178/12, s. 31.
- (5) The filed election must state the name and registration number of the pension plan, the name and contact information of the administrator and the effective date of the election. O. Reg. 178/12, s. 31.
- (6) The administrator of the pension plan must give notice of the election and the effective date of the election to the following persons and entities in the manner indicated:
1. Notice to each person who, on the effective date of the election, is a member and is employed in Ontario: notice is to be included in the first annual statement under section 27 of the Act that is transmitted to members after the election is filed.
 2. Notice to each person who, on or after the effective date of the election, is eligible or is required to become a member and is employed in Ontario: notice is to be included in the information to be provided to the person under subsection 25 (1) of the Act, within the period specified in section 38 of this Regulation.
 3. Notice to each trade union that represents members employed in Ontario: notice is to be given in writing within 90 days after the election is filed.
 4. Notice to the advisory committee, if any, established under section 24 of the Act: notice is to be given in writing within 90 days after the election is filed. O. Reg. 178/12, s. 31.
- (7) The administrator shall certify to the Chief Executive Officer that each notice required by paragraph 1, 3 or 4 of subsection (6) has been given, and the date on which the notice was given, and the administrator shall file the certificate for each notice within 60 days after the notice to which it relates is required by subsection (6). O. Reg. 178/12, s. 31; O. Reg. 149/19, s. 1.
- (8) If an election is rescinded under subsection 74.1 (6) of the Act, the effective date of the rescission cannot be earlier than the date on which notice of the rescission is filed. O. Reg. 178/12, s. 31.
- (9) Notice of the rescission of an election must state the name and registration number of the pension plan, the name and contact information of the administrator, the effective date of the election and the effective date of the rescission. O. Reg. 178/12, s. 31.
- (10) The administrator of the pension plan must give notice of the rescission and the effective date of the rescission to the following persons and entities in the manner indicated:
1. Notice to each person who, on the effective date of the rescission, is a member and is employed in Ontario: notice is to be included in the first annual statement under section 27 of the Act that is transmitted to members after notice of the rescission is filed.
 2. Notice to each trade union that represents members employed in Ontario: notice is to be given in writing within 90 days after notice of the rescission is filed.
 3. Notice to the advisory committee, if any, established under section 24 of the Act: notice is to be given in writing within 90 days after notice of the rescission is filed. O. Reg. 178/12, s. 31.
- (11) The administrator shall certify to the Chief Executive Officer that each notice required by subsection (10) has been given, and the date on which the notice was given, and the administrator shall file the certificate for each notice within 60 days after the notice to which it relates is required by subsection (10). O. Reg. 178/12, s. 31; O. Reg. 149/19, s. 1.

LIABILITY ON WIND UP

Special payments on wind up, s. 75 of the Act

31. (1) The liability to be funded under section 75 of the Act shall be funded by annual special payments commencing at the effective date of the wind up and made by the employer to the pension fund. O. Reg. 712/92, s. 19.

(2) The special payments under subsection (1) for each year shall be at least equal to the greater of,

- (a) the amount required in the year to fund the employer's liabilities under section 75 of the Act in equal payments, payable annually in advance, over not more than five years; and
- (b) the minimum special payments required for the year in which the plan is wound up, as determined in the reports filed or submitted under sections 3, 4, 13 and 14, multiplied by the ratio of the basic Ontario liabilities of the plan to the total of the liabilities and increased liabilities of the plan as determined under clauses 30 (2) (b) and (c). O. Reg. 712/92, s. 19; O. Reg. 178/12, s. 32 (2).

(3) The special payments referred to in subsections (1) and (2) shall continue until the liability is funded. O. Reg. 712/92, s. 19.

(4), (5) REVOKED: O. Reg. 178/12, s. 32 (3).

Payments re liability under s. 75.1 (1) (b) or (2) (b) of the Act

31.1 (1) Any liability to be funded under clause 75.1 (1) (b) or (2) (b) of the Act shall be funded by equal monthly instalments for five years or less or by payments determined in accordance with a schedule of payments. O. Reg. 116/06, s. 17.

(2) The instalments or payments required under subsection (1) shall be made to the pension fund by the employer or, if another person or entity is required to make payments on behalf of the employer, that person or entity and, if applicable, by the members of the pension plan, commencing on the effective date of the wind up. O. Reg. 116/06, s. 17.

(3) The schedule of payments referred to in subsection (1) shall be determined as follows:

1. The present value of the scheduled payments at the effective date of the wind up is equal to the liability to be funded.
2. The amortization period for the scheduled payments shall end not later than five years after the effective date of the wind up.
3. The present value of the scheduled payments is determined using the interest rates used in the wind up report. O. Reg. 116/06, s. 17.

Annual review and report, liability under s. 75 of the Act

32. (1) Until the employer's liability under section 75 of the Act is funded, the administrator of the plan shall annually cause the plan to be reviewed and a report to be prepared by a person authorized by section 15 and shall file the report within six months after the valuation date of the report. R.R.O. 1990, Reg. 909, s. 32 (1); O. Reg. 712/92, s. 20 (1).

(1.1) REVOKED: O. Reg. 287/20, s. 9 (2).

(2) A report required under subsection (1) shall show,

- (a) the gain or the loss in the pension plan since the valuation date of the immediately preceding report as a result of differences between the actual experience and the experience anticipated by the assumptions made in the previous report; and
 - (b) the increase or decrease in the remaining special payments that will liquidate the gain or loss referred to in clause (a) over the remainder of the five-year period commencing from the effective date of the wind up. R.R.O. 1990, Reg. 909, s. 32 (2); O. Reg. 712/92, s. 20 (2).
- (3) Any special payments required as a result of a loss referred to in clause (2) (a) shall be included as payments required to be made by the employer under section 75 of the Act. R.R.O. 1990, Reg. 909, s. 32 (3).
- (4) If a report required under subsection (1) shows that there is no further amount to be funded, any money remaining in the pension fund may be paid to the employer in accordance with section 62.1 of the Act as if that money was an overpayment into the pension fund by the employer within the meaning of clause 62.1 (1) (b) of the Act. O. Reg. 178/12, s. 33.

Annual review and report, liability under s. 75.1 of the Act

32.1 (1) Until any liability under section 75.1 of the Act is funded, the administrator of a jointly sponsored pension plan shall annually cause the plan to be reviewed and a report to be prepared by a person authorized by section 15 and shall file the report within six months after the valuation date of the report. O. Reg. 116/06, s. 18.

(2) A report required under subsection (1) shall show,

- (a) the gain or the loss in the pension plan since the valuation date of the immediately preceding report as a result of differences between the actual experience and the experience anticipated by the assumptions made in the previous report; and
 - (b) the increase or decrease in the remaining special payments that will liquidate the gain or loss referred to in clause (a) over the remainder of the five-year period commencing from the effective date of the wind up. O. Reg. 116/06, s. 18.
- (3) Any special payments required as a result of a loss referred to in clause (2) (a) shall be included as payments required to be made according to section 75.1 of the Act. O. Reg. 116/06, s. 18.
- (4) Where a report made under this section shows that there is no further amount to be funded, any surplus shall be dealt with according to the terms and conditions of the pension plan. O. Reg. 116/06, s. 18.

PENSION BENEFITS GUARANTEE FUND AND BENEFITS ON WIND UP**Recalculation based on order**

33. Where an order is made under subsection 83 (1) of the Act with respect to a pension plan that has been terminated or wound up and the employer is in the process of making the funding payments required under section 75 of the Act, the wind up funded ratio and the liability for benefits guaranteed by the Guarantee Fund shall be recalculated as of the date referred to in the order. R.R.O. 1990, Reg. 909, s. 33; O. Reg. 307/98, s. 14.

Requirements, wind up date December 8, 2010 or later if Guarantee Fund applies

34. (1) This section applies if the Guarantee Fund applies to a pension plan with a wind up date of December 8, 2010 or later. O. Reg. 466/11, s. 3.

(2) If, when the order is made declaring that the Guarantee Fund applies to the pension plan, the plan's Ontario assets are less than its Ontario wind up liability,

- (a) the administrator of the plan shall provide benefits under the plan in accordance with subsection (3); and
- (b) on application by the administrator, the Chief Executive Officer shall allocate from the Guarantee Fund and pay to the plan sufficient money to provide, together with the Ontario assets, for those benefits. O. Reg. 466/11, s. 3; O. Reg. 149/19, s. 1.

(2.1) The Chief Executive Officer may determine the timing and manner of allocating and paying the amount referred to in clause (2) (b) and may determine that the amounts are to be paid in one or more instalments. O. Reg. 412/17, s. 3; O. Reg. 149/19, s. 1.

(3) The administrator shall pay the greater of the following amounts to each person who is entitled on wind up to payment of benefits guaranteed by the Guarantee Fund or to payment of other amounts guaranteed by the Guarantee Fund:

1. The value of the person's contributions to the plan plus interest.
2. The amount calculated using the formula,

$$A + B$$

in which,

"A" is 100 per cent of the benefits and other amounts for the person that are included in the calculation of the plan's Guaranteed Benefit liability, and

"B" is the amount determined in accordance with subsection (4) that is related to all other benefits for the person that are included in the calculation of the plan's Ontario wind up liability.

O. Reg. 466/11, s. 3.

(4) The amount of the variable "B" for a person is determined as follows:

1. If the plan's Ontario assets are less than or equal to its modified Ontario wind up liability, the amount of the variable "B" is calculated using the formula,

$$C \times D/E$$

in which,

"C" is the amount of the benefits in respect of the person that are included in the calculation of the plan's modified Ontario wind up liability but are not included in the calculation of the plan's Guaranteed Benefit liability,

"D" is the plan's Ontario assets, and

"E" is the plan's modified Ontario wind up liability.

2. If the plan's Ontario assets are greater than its modified Ontario wind up liability but are less than or equal to the sum of its modified Ontario wind up liability plus its liability, if any, for recent benefit improvements, the amount of the variable "B" is calculated using the formula,

$$C + F$$

in which,

“C” has the same meaning as in paragraph 1, and

“F” is the amount calculated using the formula,

$$G \times W/X$$

in which,

“G” is the amount of the benefits in respect of the person included in the calculation of the plan’s liability, if any, for recent benefit improvements,

“W” is the amount by which the plan’s Ontario assets exceed its modified Ontario wind up liability, and

“X” is the amount of the plan’s liability, if any, for recent benefit improvements.

3. If the plan’s Ontario assets are greater than its modified Ontario wind up liability plus its liability, if any, for recent benefit improvements, the amount of the variable “B” is calculated using the formula,

$$C + G + H$$

in which,

“C” has the same meaning as in paragraph 1,

“G” has the same meaning as in paragraph 2, and

“H” is the amount calculated using the formula,

$$J \times Y/Z$$

in which,

“J” is the amount, if any, of the benefits described in subsection 47 (2) for the person,

“Y” is the amount by which the plan’s Ontario assets exceed the sum of its modified Ontario wind up liability and its liability, if any, for recent benefit improvements, and

“Z” is the amount of the plan’s liability for the benefits described in subsection 47 (2).

O. Reg. 466/11, s. 3.

(5) The Guaranteed Benefit liability of a pension plan is the total liability of the plan for benefits guaranteed by the Guarantee Fund and for other amounts guaranteed by the Guarantee Fund, excluding the amount by which the contributions made by any member, plus interest, for those guaranteed benefits and those other guaranteed amounts exceeds the liability for the member’s guaranteed benefits and other guaranteed amounts. O. Reg. 466/11, s. 3.

(6) The modified Ontario wind up liability of the pension plan is the amount calculated using the formula,

$$K - (L + M)$$

in which,

“K” is the plan’s Ontario wind up liability,

“L” is the amount of the liability, if any, for recent benefit improvements, and

“M” is the amount of the liability, if any, for benefits described in subsection 47 (2).

O. Reg. 466/11, s. 3.

(7) The liability, if any, for recent benefit improvements in respect of a pension plan is the liability for any increase to a pension or pension benefit or increase to the value of a pension or pension benefit that became effective within five years before the date of the wind up. However, it does not include any liability for benefits described in subsection 47 (2). O. Reg. 466/11, s. 3.

(8) In this section,

“Guaranteed Benefit liability” means, for a pension plan, the liability described in subsection (5); (“passif rattaché aux prestations garanties”)

“liability, if any, for recent benefit improvements” means, for a pension plan, the liability described in subsection (7); (“passif éventuel rattaché aux améliorations récentes des prestations”)

“modified Ontario wind up liability” means, for a pension plan, the liability described in subsection (6). (“passif ontarien de liquidation modifié”) O. Reg. 466/11, s. 3.

Requirements, wind up date before December 8, 2010 if Guarantee Fund applies

34.1 (1) This section applies if the Guarantee Fund applies to a pension plan with a wind up date before December 8, 2010. O. Reg. 466/11, s. 3.

(2) If, when the order is made declaring that the Guarantee Fund applies to the pension plan, the plan’s Ontario assets are less than its Ontario wind up liability,

(a) the administrator of the plan shall provide benefits under the plan in accordance with section 34 of this Regulation as it read on December 31, 2011; and

(b) on application by the administrator, the Chief Executive Officer shall allocate from the Guarantee Fund and pay to the plan sufficient money to provide, together with the Ontario assets, for those benefits. O. Reg. 466/11, s. 3; O. Reg. 149/19, s. 1.

Wind up report, funding — partial wind up with insufficient assets

35. (1) A wind up report in respect of a defined benefit pension plan that is wound up in part shall, where the assets allocated to the wind up are not sufficient to pay all pension benefits and the benefits included in the wind up, be prepared in accordance with the requirements of section 30 as if the pension plan were being wholly wound up. R.R.O. 1990, Reg. 909, s. 35 (1).

(2) The liability required to be funded under section 75 of the Act on the wind up in part of a pension plan providing defined benefits shall be the portion of the amount described in clause 75 (1) (b) of the Act as determined in the wind up report referred to in subsection (1) of this section attributable to members, former members, retired members and any other persons entitled to a benefit from the pension plan affected by the partial plan wind up. O. Reg. 712/92, s. 22; O. Reg. 178/12, s. 35 (1).

(3) The liability determined under subsection (2) shall be funded by the employer by special payments payable in equal amounts annually in advance over a period not exceeding five years from the effective date of the partial plan wind up. O. Reg. 712/92, s. 22.

(4), (5) REVOKED. O. Reg. 178/12, s. 35 (2).

36. REVOKED: O. Reg. 322/09, s. 3.

Guarantee Fund assessments

37. (1) An employer who is required to make contributions to a pension plan providing defined benefits, other than a designated plan, an individual pension plan or a plan described in subsection 6 (1), shall, subject to subsections 7 (5) and 7.0.3 (2), pay to the Guarantee Fund on or before each assessment date an annual assessment determined in accordance with subsections (3) to (12). O. Reg. 712/92, s. 23; O. Reg. 73/95, s. 7; O. Reg. 178/12, s. 36; O. Reg. 105/19, s. 18.

(1.1) Subsection (1) does not apply with respect to a jointly sponsored pension plan. O. Reg. 413/07, s. 4 (1).

(2) For the purposes of this section, assessment dates shall be nine months after the last day of each fiscal year of the pension plan. O. Reg. 712/92, s. 23.

(3) REVOKED: O. Reg. 413/07, s. 4 (2).

(4) If the assessment date falls on or after January 1, 2019, the amount of the annual assessment is the amount calculated using the formula,

$$A + B$$

in which,

“A” is the lesser of “C” and “D” where,

“C” is the sum of the following amounts:

1. 0.75 per cent of any portion of the PBGF assessment base that is less than 10 per cent of the PBGF liabilities.
2. 1.5 per cent of any portion of the PBGF assessment base that is 10 per cent or more but less than 20 per cent of the PBGF liabilities.
3. 2.25 per cent of any portion of the PBGF assessment base that is 20 per cent or more of the PBGF liabilities.
4. 0.015 per cent of PBGF liabilities; and

“D” is \$600 multiplied by the number of persons who were Ontario plan beneficiaries at the end of the plan fiscal year immediately preceding the assessment date, and

“B” is zero or, if an election under subsection 5 (18) is in effect on the assessment date, three per cent of the amount by which “E” exceeds “F” where,

“E” is the amount of the additional liability that would result if, on the valuation date of the last report filed or submitted on or before the assessment date under any of section 3, 4 or 14 for the plan, all plant closure benefits and permanent layoff benefits under the plan were payable for those members in Ontario who, on that date, met the age and service requirements for those benefits, and

“F” is the amount, if any, by which the amount determined under clause (b) of the definition of “PBGF assessment base” in subsection 1 (2) exceeds the PBGF liabilities, both determined as of the valuation date referred to in the definition of “E”.

O. Reg. 250/18, s. 30 (1).

(5), (6) REVOKED: O. Reg. 466/11, s. 4 (1).

(7) For the purposes of an assessment required under this section, the PBGF assessment base and the PBGF liabilities shall be as set out in the last report filed or submitted on or before the assessment date under any of section 3, 4, 13 or 14 for the plan. O. Reg. 712/92, s. 23.

(8) Despite subsection (7), where a payment is made in respect of an assessment under this section and a report is filed or submitted under section 3, 4, 13 or 14 after the payment date with a valuation date earlier than the assessment date, the amount of the assessment required under this section shall be recalculated with the PBGF assessment base and PBGF liabilities as set out in the report and shall be paid on that basis. O. Reg. 712/92, s. 23.

(9) Despite subsection (7), if a revised report under section 3, 13 or 14 is filed at the request of the Chief Executive Officer or is accepted by the Chief Executive Officer, the amount of the assessment required under this section shall be recalculated with the PBGF assessment base and PBGF liabilities as set out in the revised report and shall be paid on that basis. O. Reg. 712/92, s. 23; O. Reg. 149/19, s. 1.

(10) Where a report referred to in subsection (8) or (9) is filed, an increase in the assessment resulting from a recalculation based on the report is payable sixty days after the date on which the report is filed. O. Reg. 712/92, s. 23.

(11) A decrease in the assessment resulting from a recalculation shall be refunded. O. Reg. 712/92, s. 23.

(12) If between the valuation date of the last report filed or submitted and the assessment date the employer has made special payments in excess of the minimum special payments required in accordance with that report, the PBGF assessment base shall be decreased for the purposes of an assessment required under this section by the amount of the excess special payments. O. Reg. 712/92, s. 23.

(13) Despite subsection (4), the amount of the assessment is zero for a pension plan that was established fewer than five years before the assessment date, other than a pension plan that is a successor pension plan as described in subsection 80 (5) or section 81 of the Act. O. Reg. 466/11, s. 4 (2); O. Reg. 306/13, s. 5.

(14) An employer who fails to pay an amount due under this section within the time provided by this section shall pay 120 per cent of the amount to the Guarantee Fund, together with interest on the 120 per cent calculated from the date the amount is due to the date of payment, at a rate equal to 3 per cent plus the chartered banks' rate on prime business loans as determined under subsection (15) for the month in which the amount is due. O. Reg. 712/92, s. 23; O. Reg. 287/20, s. 10 (1).

(14.1), (14.2) REVOKED: O. Reg. 187/20, s. 1 (3).

(15) For the purposes of subsection (14), the chartered banks' rate on prime business loans for a month shall be determined using the rate reported for the last Wednesday of each month as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V80691311 compiled by Statistics Canada and available on the website maintained by the Bank of Canada. O. Reg. 712/92, s. 23; O. Reg. 116/06, s. 19; O. Reg. 187/20, s. 1 (2); O. Reg. 287/20, s. 10 (2); O. Reg. 187/20, s. 1 (4).

(16) REVOKED: O. Reg. 466/11, s. 4 (4).

PROVISION OF INFORMATION

Information, s. 25 (1) of the Act

38. The information referred to in subsection 25 (1) of the Act shall be provided,

- (a) to a person who becomes a member of a pension plan on the date the plan is established, within sixty days after the date the plan is established;
- (b) to an employee who will become eligible to become a member of a pension plan, within sixty days prior to the date on which the person will become eligible; and
- (c) to a person who is eligible to become a member of a pension plan upon commencing employment, within sixty days after the person commences employment. R.R.O. 1990, Reg. 909, s. 38.

Notice, etc., s. 26 (3) of the Act

39. (1) The administrator shall transmit notice and an explanation of the amendment required under subsection 26 (3) of the Act, within sixty days after registration, to each member, former member, retired member or other person who is or will be affected by an amendment that is registered. R.R.O. 1990, Reg. 909, s. 39 (1); O. Reg. 178/12, s. 37.

(1.1) REVOKED: O. Reg. 287/20, s. 11 (2).

(2) Where an amendment is registered and the Chief Executive Officer dispenses with the notice required under subsection 26 (3) of the Act, the administrator shall provide notice and an explanation of the amendment to members with the next statement required under section 27 of the Act. R.R.O. 1990, Reg. 909, s. 39 (2); O. Reg. 149/19, s. 1.

Annual statement — members, s. 27 (1) of the Act

40. (1) A statement required under subsection 27 (1) 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 member's name and date of birth;
- (c) the period covered by the statement;
- (d) the date on which the member joined the plan and a statement that his or her entitlement to benefits has vested;
- (e) the date on which the member was employed by the employer, if the pension plan is not a multi-employer pension plan;
- (f) the member's normal retirement date under the plan;
- (g) where applicable, the earliest date the member will be eligible to receive an unreduced pension;
- (h) where applicable, the name of the person recorded as the member's spouse;
- (i) any person designated by the member as a beneficiary for the purposes of the pre-retirement death benefit under section 48 of the Act;
- (j) a description of any benefits provided on the death of a member other than those required under section 44 or 48 of the Act and the name of any person designated as a beneficiary;

- (k) the amount of required contributions, if any, made to the pension fund by a member during the period covered by the statement;
- (l) the accumulated amount of required contributions, if any, made to the pension fund by the member, including interest credited to such contributions, to the end of the period covered by the statement;
- (m) the amount of any additional voluntary contributions made by the member to the pension fund during the period covered by the statement;
- (n) the accumulated amount of any additional voluntary contributions made by the member to the pension fund, including interest credited to such contributions, to the end of the period covered by the statement;
- (o) in the case of a plan providing defined contribution benefits,
 - (i) the amount of employer contributions allocated to the member during the period covered by the statement, and
 - (ii) the accumulated amount of employer contributions, including interest credited to such contributions, allocated to the member, to the end of the period covered by the statement;
- (p) in the case of a defined benefit plan,
 - (i) the member's years of employment for the purpose of the calculation of pension benefits, determined as of the end of the period covered by the statement,
 - (ii) the annual amount of pension benefit payable at normal retirement date accrued at the end of the period covered by the statement,
 - (iii) where salary is a factor in determining a pension benefit, the salary level utilized for the purpose of determining the benefit,
 - (iv) information as to whether the pension referred to in subclause (ii) is reduced by an amount of pension payable under the *Canada Pension Plan, Quebec Pension Plan or Old Age Security Act (Canada)*,
 - (v) the transfer ratio of the pension plan as of the valuation date of the report filed most recently under section 13 or 14,
 - (v.1) the estimated transfer ratio calculated as of the end of the period covered by the statement, calculated in accordance with paragraph 7 of subsection 7.1 (3), and
 - (vi) an explanation of the transfer ratio and how it relates to the level of funding of members' benefits;
- (q) in the case of a statement required to be provided to members before a report with a valuation date before December 31, 2017 is filed and where special payments are being made to liquidate any liability, a statement to that effect;
- (q.1) in the case of a statement required to be provided to members after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made in respect of any going concern unfunded liability, a statement to that effect;
- (q.2) in the case of a statement required to be provided to members after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made to liquidate any reduced solvency deficiency to increase the plan's solvency ratio to 85 per cent, a statement to that effect;
- (r) a statement setting out the treatment of any surplus in a continuing plan and on wind up;
- (s) an explanation of any amendments affecting the member made to the pension plan during the period covered by the statement, if an explanation has not been provided under subsection 39 (1);
- (t) 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, and
 - (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;
- (u) 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,
 - (iii) a statement that contribution rates for an employer (or a person or entity required to make contributions on behalf of an employer) and for members could change depending on how well the pension plan is funded on a going concern basis,
 - (iv) a statement setting out the contribution rates for an employer (or a person or entity required to make contributions on behalf of an employer) and for members for the year before, and the year after, the date of the statement, and
 - (v) 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;
- (u.1) for a pension plan that is a jointly sponsored pension plan that received a transfer of assets under section 80.4 of the Act during the period covered by the statement, a description of any changes in the governance structure of the jointly sponsored pension plan, including the methods by which the decisions regarding the appointment of the administrator of the pension plan or the appointment or selection of persons as members of any body or entity referred to in clause 8 (1) (b), (c), (e), (f) or (h) of the Act that is the administrator of the pension plan, are made after the conversion and transfer of assets under section 80.4 of the Act;
- (v) a statement that the administrator of the pension plan must establish a statement of investment policies and procedures for the plan that contains,
- (i) the investment policies and procedures in respect of the plan's portfolio of investments and loans, and
 - (ii) 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;
- (w) a statement that the administrator of the pension plan is required, under section 29 of the Act,
- (i) to make available to the 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
- (x) a statement that the member is entitled, under section 30 of the Act,
- (i) to inspect, at the office of the Chief Executive Officer 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 Chief Executive Officer to provide the most recent statement of investment policies and procedures by mail or electronically. R.R.O. 1990, Reg. 909, s. 40 (1); O. Reg. 629/92, s. 7; O. Reg. 115/00, s. 4; O. Reg. 324/05, s. 7; O. Reg. 177/11, s. 8; O. Reg. 178/12, s. 38; O. Reg. 235/14, s. 2 (1-5); O. Reg. 312/15, s. 3; O. Reg. 250/18, s. 31 (1-3); O. Reg. 105/19, s. 19; O. Reg. 149/19, s. 1.

(2) The administrator shall provide the statement required under subsection 27 (1) of the Act to members within six months after the fiscal year end of the plan. R.R.O. 1990, Reg. 909, s. 40 (2); O. Reg. 235/14, s. 2 (6).

(2.1) Clauses (1) (v), (w) and (x) do not apply with respect to a pension plan where all the pension benefits provided under the pension plan are defined contribution benefits and the investments are directed entirely by the members. O. Reg. 66/22, s. 2.

(3) For a plan that provides defined benefits, the first statement required to be provided to a member after a report with a valuation date on or after December 31, 2017 is filed shall also contain a description of how funding rules for pension plans have changed or will change as a result of amendments to this Regulation effective May 1, 2018, including at least the following information:

1. A description of the difference between solvency funding and going concern funding.
2. A statement that special payments are required under this Regulation for the purpose of increasing the plan's funded ratio to 85 per cent, as measured on a solvency basis, and that this is a change from the previous requirement to make special payments for the purpose of increasing the plan's funded ratio to 100 per cent, as measured on a solvency basis.
3. A statement that before the amendments to this Regulation were made, going concern unfunded liabilities were amortized over 15 years and new payment schedules were added when needed but were not consolidated in each new report of the pension plan.
4. A statement that as a result of the amendments to this Regulation, any going concern unfunded liability will be required to be amortized over 10 years and that the payment schedules will be consolidated in each new report of the pension plan.
5. A statement that contributions for the provision for adverse deviations are required under this Regulation and are required to be funded on a going concern basis. O. Reg. 250/18, s. 31 (4).

(4) Subsection (3) does not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3) or a specified Ontario multi-employer pension plan. O. Reg. 250/18, s. 31 (4).

Biennial statement — former members, s. 27 (2) of the Act

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*, the *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 the report filed most recently under section 13 or 14,
 - (i.1) the estimated transfer ratio calculated as of the end of the period covered by the statement, calculated in accordance with paragraph 7 of subsection 7.1 (3), and
 - (ii) an explanation of the transfer ratio and how it relates to the level of funding of former members' benefits;
- (n) in the case of a statement required to be provided to a former member before a report with a valuation date before December 31, 2017 is filed and where special payments are being made to liquidate any liability, a statement to that effect;
- (n.1) in the case of a statement required to be provided to a former member after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made in respect of any going concern unfunded liability, a statement to that effect;
- (n.2) in the case of a statement required to be provided to a former member after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made to liquidate any reduced solvency deficiency to increase the plan's solvency ratio to 85 per cent, a statement to that effect;
- (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, and
 - (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;
- (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;

- (r.1) for a pension plan that is a jointly sponsored pension plan that received a transfer of assets under section 80.4 of the Act during the period covered by the statement, a description of any changes in the governance structure of the jointly sponsored pension plan, including the methods by which the decisions regarding the appointment of the administrator of the pension plan or the appointment or selection of persons as members of any body or entity referred to in clause 8 (1) (b), (c), (e), (f) or (h) of the Act that is the administrator of the pension plan, are made after the conversion and transfer of assets under section 80.4 of the Act;
- (s) a statement that the administrator of the pension plan must establish a statement of investment policies and procedures for the plan that contains,
- (i) the investment policies and procedures in respect of the plan's portfolio of investments and loans, and
 - (ii) 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 Chief Executive Officer 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 Chief Executive Officer to provide the most recent statement of investment policies and procedures by mail or electronically. O. Reg. 235/14, s. 3; O. Reg. 312/15, s. 4; O. Reg. 250/18, s. 32 (1-3); O. Reg. 105/19, s. 20; O. Reg. 149/19, s. 1.
- (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. O. Reg. 235/14, s. 3 (1).
- (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 18 months after the end of the plan's first fiscal year.
 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. O. Reg. 235/14, s. 3 (1).
- (3.1) Clauses (1) (s), (t) and (u) do not apply with respect to a pension plan where all the pension benefits provided under the pension plan are defined contribution benefits and the investments are directed entirely by the members. O. Reg. 66/22, s. 3.

(4) For a plan that provides defined benefits, the first statement required to be provided to a former member after a report with a valuation date on or after December 31, 2017 is filed shall also contain a description of how funding rules for pension plans have changed or will change as a result of amendments to this Regulation effective May 1, 2018, including at least the following information:

1. A description of the difference between solvency funding and going concern funding.
2. A statement that special payments are required under this Regulation for the purpose of increasing the plan's funded ratio to 85 per cent, as measured on a solvency basis, and that this is a change from the previous requirement to make special payments for the purpose of increasing the plan's funded ratio to 100 per cent, as measured on a solvency basis.
3. A statement that before the amendments to this Regulation were made, going concern unfunded liabilities were amortized over 15 years and new payment schedules were added when needed but were not consolidated in each new report of the pension plan.
4. A statement that as a result of the amendments to this Regulation, any going concern unfunded liability will be required to be amortized over 10 years and that the payment schedules will be consolidated in each new report of the pension plan.
5. A statement that contributions for the provision for adverse deviations are required under this Regulation and are required to be funded on a going concern basis. O. Reg. 250/18, s. 32 (4).

(5) Subsection (4) does not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3) or a specified Ontario multi-employer pension plan. O. Reg. 250/18, s. 32 (4).

Biennial statement — retired members, s. 27 (2) of the Act

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 payable to the retired member at retirement;
- (f) the annual amount of pension 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;
- (j) any bridging benefit or special allowance and the date on which the benefit ceases to be paid;
- (k) any integration of the pension entitlement with pensions payable under the *Canada Pension Plan*, the *Quebec Pension Plan* or the *Old Age Security Act* (Canada) and the effect of such integration;
- (l) in the case of a defined benefit plan,

- (i) the transfer ratio of the pension plan as of the valuation date of the report filed most recently under section 13 or 14,
 - (i.1) the estimated transfer ratio calculated as of the end of the period covered by the statement, calculated in accordance with paragraph 7 of subsection 7.1 (3), and
 - (ii) an explanation of the transfer ratio and how it relates to the level of funding of retired members' benefits;
- (m) in the case of a statement required to be provided to a retired member before a report with a valuation date before December 31, 2017 is filed and where special payments are being made to liquidate any liability, a statement to that effect;
- (m.1) in the case of a statement required to be provided to a retired member after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made in respect of any going concern unfunded liability, a statement to that effect;
- (m.2) in the case of a statement required to be provided to a retired member after a report with a valuation date on or after December 31, 2017 is filed and where special payments are being made to liquidate any reduced solvency deficiency to increase the plan's solvency ratio to 85 per cent, a statement to that effect;
- (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, and
 - (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;
- (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;
- (q.1) for a pension plan that is a jointly sponsored pension plan that received a transfer of assets under section 80.4 of the Act during the period covered by the statement, a description of any changes in the governance structure of the jointly sponsored pension plan, including the methods by which the decisions regarding the appointment of the administrator of the pension plan or the appointment or selection of persons as members of any body or entity referred to in clause 8 (1) (b), (c), (e), (f) or (h) of the Act that is the administrator of the pension plan, are made after the conversion and transfer of assets under section 80.4 of the Act;
- (r) a statement that the administrator of the pension plan must establish a statement of investment policies and procedures for the plan that contains,
- (i) the investment policies and procedures in respect of the plan's portfolio of investments and loans, and

- (ii) 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 Chief Executive Officer 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 Chief Executive Officer to provide the most recent statement of investment policies and procedures by mail or electronically. O. Reg. 235/14, s. 4; O. Reg. 312/15, s. 5; O. Reg. 250/18, s. 33 (1-3); O. Reg. 105/19, s. 21; O. Reg. 149/19, s. 1.
- (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. O. Reg. 235/14, s. 4 (1).
- (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 18 months after the end of the plan's first fiscal year.
 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. O. Reg. 235/14, s. 4 (1).
- (3.1) Clauses (1) (r), (s) and (t) do not apply with respect to a pension plan where all the pension benefits provided under the pension plan are defined contribution benefits and the investments are directed entirely by the members. O. Reg. 66/22, s. 4.
- (4) For a plan that provides defined benefits, the first statement required to be provided to a retired member after a report with a valuation date on or after December 31, 2017 is filed shall also contain a description of how funding rules for pension plans have changed or will change as a result of amendments to this Regulation effective May 1, 2018, including at least the following information:
1. A description of the difference between solvency funding and going concern funding.

2. A statement that special payments are required under this Regulation for the purpose of increasing the plan's funded ratio to 85 per cent, as measured on a solvency basis, and that this is a change from the previous requirement to make special payments for the purpose of increasing the plan's funded ratio to 100 per cent, as measured on a solvency basis.
 3. A statement that before the amendments to this Regulation were made, going concern unfunded liabilities were amortized over 15 years and new payment schedules were added when needed but were not consolidated in each new report of the pension plan.
 4. A statement that as a result of the amendments to this Regulation, any going concern unfunded liability will be required to be amortized over 10 years and that the payment schedules will be consolidated in each new report of the pension plan.
 5. A statement that contributions for the provision for adverse deviations are required under this Regulation and are required to be funded on a going concern basis. O. Reg. 250/18, s. 33 (4).
- (5) Subsection (4) does not apply to a jointly sponsored pension plan listed in subsection 1.3.1 (3) or a specified Ontario multi-employer pension plan. O. Reg. 250/18, s. 33 (4).

Termination statement — deferred pension, s. 28 (1) of the Act

41. (1) A written statement required to be given under section 28 of the Act to a member of a pension plan who terminates employment or ceases to be a member for reasons other than retirement or death and who is entitled to a deferred pension shall contain, as recorded on the records of the administrator, at least,

- (a) the name of the pension plan and its provincial registration number;
- (b) the member's name and date of birth;
- (c) the date on which the member joined the plan and a statement that his or her entitlement to benefits has vested;
- (c.1) the date on which the member was employed by the employer, if the pension plan is not a multi-employer pension plan;
- (c.2) the number of years of employment credited under the pension plan for the purpose of calculating the pension benefit;
- (d) the member's normal retirement date under the plan;
- (e) the amount of the pension benefits and ancillary benefits to which the member is entitled on termination and any options respecting such benefits, including early, normal and postponed dates for commencement of the payment of benefits and, if applicable, an explanation of which options include benefit enhancements resulting from the application of section 74 of the Act;
- (e.1) where applicable, a statement that the member is entitled to benefits under section 74 of the Act or, if the member is not entitled to benefits because of subsection 74 (1.1) of the Act, a statement indicating that the member is not entitled to benefits and setting out the reason;
- (f) where applicable, the name of the person recorded as the member's spouse;
- (g) any person designated by the member as a beneficiary for purposes of the pre-retirement death benefit under section 48 of the Act;
- (h) benefits provided on the death of a member other than those required under section 44 or 48 of the Act and the name of any person designated as beneficiary;
- (i) 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;
- (j) any bridging benefit or special allowance and the date on which the benefit ceases to be paid;

- (k) any indexation provisions applicable to the deferred pension;
- (l) any benefit payable in the event of the member's death, should the death occur prior to the commencement of payment of pension benefits;
- (m) any benefit payable in the event of the member's death, should the death occur after the commencement of payment of pension benefits;
- (n) the transfer value of the deferred pension determined in accordance with subsection 19 (2);
- (o) any options with respect to transfers available under section 42 of the Act and,
 - (i) the application of the transfer ratio determined under section 19 to the transfer option, and
 - (ii) where the transfer ratio is less than one, the amount that may be transferred out immediately and the manner in which the balance will be paid;
- (p) the time periods in which the options for transfers under section 42 of the Act must be exercised;
- (q) the amount of any refund to which the member is entitled under subsection 39 (4) or 63 (2) or (7) of the Act, any options available with respect to such a refund and the time period in which the options must be exercised;
- (r) information about the effect, if any, that the member's election to receive a refund under subsection 39 (4) or 63 (2) or (7) of the Act would have on his or her pension or deferred pension; and
- (s) any options available to the member under subsection 39 (4.1) or 63 (9) of the Act and the time period in which the options must be exercised. R.R.O. 1990, Reg. 909, s. 41 (1); O. Reg. 115/00, s. 5; O. Reg. 324/05, s. 8; O. Reg. 178/12, s. 39 (1-3); O. Reg. 235/14, s. 5.

(1.1) However, if the plan provides for a payment under subsection 50 (1) of the Act to the member, the written statement shall contain at least the following information, as recorded on the records of the administrator, instead of the information required by subsection (1):

1. The name of the pension plan and its provincial registration number.
2. The member's name and date of birth.
3. The date on which the member joined the pension plan and the years of employment or membership credited under the plan for the purpose of calculating the pension benefit.
4. The amount of the member's pension benefits and ancillary benefits which are vested under the pension plan.
5. Any options available to the member under subsection 50 (3) of the Act, where applicable, and the time period in which the options must be exercised.
6. The amount of any refunds to which the member is entitled under subsection 39 (4) or 63 (2) or (7) of the Act, any options available with respect to such a refund and the time period for delivering a direction to the administrator concerning the refund. O. Reg. 178/12, s. 39 (4).

(2) The administrator shall provide the written statement referred to in subsection (1) or (1.1) within thirty days following the member's termination of employment or cessation of membership in the plan or, where notice of termination or cessation is not provided to the administrator prior to the event, within thirty days after the administrator's receipt of such notice. R.R.O. 1990, Reg. 909, s. 41 (2); O. Reg. 178/12, s. 39 (5).

42. REVOKED: O. Reg. 178/12, s. 40.

Statement on death of member, etc., s. 28 (1) of the Act

43. (1) This section applies if, as a result of the death of a member, a former member or a retired member, his or her spouse, beneficiary or estate becomes entitled to a benefit. O. Reg. 178/12, s. 41 (1).

(1.1) Within 30 days after the administrator receives a notice of the death, the administrator shall give a statement containing at least the following information to the spouse, beneficiary or legal representative:

1. The name of the pension plan and its provincial registration number.
2. The amount and method of payment of the benefit.
3. The amount, if any, payable under subsection 39 (4) of the Act.
4. If applicable, the basis for indexation of a pension.
5. If applicable, the amount of the pension resulting from additional voluntary contributions.
6. In the case of a spouse, the options available under section 44 or 48 of the Act. O. Reg. 178/12, s. 41 (1).

(2) For purposes of subsection 48 (1) or (2) of the Act, a spouse shall make an election within ninety days after receipt of the notice referred to in subsection (1.1). R.R.O. 1990, Reg. 909, s. 43 (2); O. Reg. 115/00, s. 6 (2); O. Reg. 324/05, s. 9 (3); O. Reg. 178/12, s. 41 (2).

(3) The administrator of the plan shall comply with an election under subsection (2) within sixty days after receipt of the direction from the spouse. R.R.O. 1990, Reg. 909, s. 43 (3); O. Reg. 115/00, s. 6 (3); O. Reg. 324/05, s. 9 (4).

Termination statement — retirement, s. 28 (1) of the Act

44. (1) At least sixty days prior to a member's normal retirement date or the date at which a member of a pension plan has indicated that he or she intends to retire, the administrator of the plan shall advise the member of any options respecting payment of the pension available to the member under the pension plan, the Act or the regulations and the time period in which the options may be exercised. R.R.O. 1990, Reg. 909, s. 44 (1).

(1.1) If a pension plan provides defined contribution benefits and authorizes payment of pension benefits that are variable benefits under subsection 39.1 of the Act, the administrator shall advise the member, in addition to the information referred to in subsection (1), that the member may elect to receive variable benefits from the pension plan and the administrator shall provide the member with information about variable benefits, including the following information:

1. A statement that if the member has a spouse who would be entitled to a joint and survivor pension under section 44 of the Act, that the variable benefit account cannot be established unless the member and the spouse have waived the entitlement to receive payment of pension benefits in the form of a joint and survivor pension in accordance with subsection 46 (1) of the Act.
2. A description of the condition set out in subsection 39.1 (2.2) of the Act required in order for the waiver mentioned in paragraph 1 to be effective.

3. A statement that if a variable benefit account is established, the entire amount credited to the member in his or her defined contribution account must be transferred to the variable benefit account. However, if the pension plan permits a portion of the entire amount credited to his or her defined contribution account to be transferred to his or her variable benefit account, a statement that the member may elect to have a portion of the entire amount transferred to the variable benefit account.
 4. An estimate of the amount in the member's defined contribution account at the member's retirement date or the date at which the member has indicated that he or she intends to retire.
 5. The minimum and maximum limits on the amount of income that may be paid out of a variable benefit account during a calendar year, as set out in paragraphs 9 and 10 of section 2 of Ontario Regulation 368/19 (Variable Benefits) made under the Act.
 6. A statement that once every calendar year, or more than once in the same calendar year if permitted to do so by the pension plan, the member will be able to notify the administrator in writing of,
 - i. any change to the amount of income to be paid out of the variable benefit account in the calendar year, subject to the minimum and maximum limits set out in paragraphs 9 and 10 of section 2 of Ontario Regulation 368/19 (*Variable Benefits*) made under the Act,
 - ii. any change to the frequency of the payment, if the pension plan permits payment out of the variable benefit account more than once in a calendar year, and
 - iii. any change in the method of payment.
 7. A statement that the member would, when he or she is a retired member, be entitled, within 60 days after the establishment of his or her variable benefit account, to apply to the administrator in accordance with section 9 of Ontario Regulation 368/19 (Variable Benefits) made under the Act to withdraw from the variable benefit account or transfer from it to a registered retirement savings arrangement an amount representing up to 50 per cent of the amount transferred to the account at the time it was established. O. Reg. 369/19, s. 2 (1).
- (2) An administrator who does not receive adequate advance notice of the intended retirement necessary to comply with subsections (1) and (1.1) shall provide the information referred to in subsection (1) and, if applicable, subsection (1.1) within 30 days following receipt by the administrator of a completed application required for commencement of the pension. O. Reg. 369/19, s. 2 (2).
- (3) A written statement required under section 28 of the Act shall contain, as recorded on the records of the administrator, at least,
- (a) the name of the pension plan and its provincial registration number;
 - (b) the member's name and date of birth;
 - (c) the date on which the member joined the plan and the years of employment or membership credited under the plan for purposes of calculating the pension benefit;
 - (d) where applicable, the name of the person recorded as the member's spouse;
 - (e) the date pension benefits commence payment;
 - (f) the amount of the pension to which the member is or will be entitled according to the records of the administrator and based on elections made by the member;
 - (g) any increase or reduction in the pension resulting from early or postponed retirement;
 - (h) the amount of the pension benefit purchased with additional voluntary contributions made by the member;

- (i) the amount of the pension benefit purchased with contributions resulting from a transfer made on behalf of the member from another pension fund;
- (j) any integration of the pension entitlement with pensions payable under the *Canada Pension Plan*, *Quebec Pension Plan* or the *Old Age Security Act* (Canada) and the effect of such integration;
- (k) any bridging benefits or special allowances and the date on which such ancillary benefits cease to be paid;
- (l) any indexation provisions applicable to the pension or deferred pension;
- (m) any benefit payable in the event of the member's death and the name of the person designated as the beneficiary of that benefit; and
- (n) any other refunds under the plan to which the member is entitled. R.R.O. 1990, Reg. 909, s. 44 (3); O. Reg. 115/00, s. 7; O. Reg. 324/05, s. 10; O. Reg. 178/12, s. 42; O. Reg. 235/14, s. 6.

(4) The administrator shall provide the statement referred to in subsection (3) within thirty days after the member's retirement or, where the administrator has not received notification prior to retirement, within thirty days after the administrator's receipt of a completed application required for commencement of the pension. R.R.O. 1990, Reg. 909, s. 44 (4).

Information available on request, s. 29 (1) of the Act

45. (1) For the purposes of subsection 29 (1) of the Act, the following are the prescribed records that the administrator of a pension plan is required to make available for inspection to the persons described in subsection 29 (1) of the Act:

1. The provisions of the current pension plan including any amendments to the plan.
2. Any documents relating to the pension plan that must be filed in support of an application for registration of the plan under subsection 9 (2) of the Act (or under a predecessor to that subsection) or in support of an application for registration of an amendment to the plan under subsection 12 (2) of the Act (or under a predecessor to that subsection).
3. The provisions of any previous pension plan including amendments thereto where the current plan is a successor to a previous version of the plan.
4. Any documents relating to a previous version of the pension plan that must be filed in support of an application for registration of the plan under subsection 9 (2) of the Act (or under a predecessor to that subsection) or in support of an application for registration of an amendment to the plan under subsection 12 (2) of the Act (or under a predecessor to that subsection).
5. The applicable provisions of any document that sets out the employer's responsibilities with respect to the pension plan.
6. A document that delegates the administration of the pension plan or pension fund.
7. Copies of any information returns, actuarial information summaries and other information summaries that are filed in respect of the pension plan.
8. Copies of any financial statement or any report under section 3, 4, 13 or 14 that is filed in respect of the pension plan.
- 8.1 Copies of any letter of credit held in trust for the pension fund, any related trust agreement and any certificate filed by the administrator under subsection 55.2 (7) of the Act.
9. Copies of correspondence in respect of the pension plan between the administrator and any of the following persons within five years before the date of the request, but not personal information that relates to a member, former member or retired member unless his or her consent is obtained:
 - i. The Commission or the Authority, or a person employed in the Commission or the Authority.
 - ii. The Superintendent, the Chief Executive Officer or the Superintendent's or Chief Executive Officer's delegate.

10. Copies of those parts of an agreement that concern the purchase or sale of a business or the assets of a business and that relate to the pension plan.

11. REVOKED: O. Reg. 144/00, s. 25 (1).

12. Copies of any financial statement or audited financial statement for a pension fund that is filed.

13. Copies of any statements of investment policies and procedures for the plan that are established under Part II. R.R.O. 1990, Reg. 909, s. 45 (1); O. Reg. 712/92, s. 24; O. Reg. 307/98, s. 16 (1-3); O. Reg. 144/00, s. 25 (1); O. Reg. 178/12, s. 43 (1-3); O. Reg. 364/12, s. 5; O. Reg. 149/19, s. 7; O. Reg. 529/21, s. 3 (1).

(2) For the purposes of subsection 29 (5) of the Act, the following are the prescribed records with respect to a pension plan and pension fund:

1. The provisions of the current pension plan, including any amendments to the plan.

2. The most recent report under section 3, 4, 13 or 14 that has been filed.

3. The most recent financial statements or audited financial statements that have been filed for the plan or the fund.

4. The most recent actuarial information summary filed under section 16.1.

5. The most recent annual information return filed under section 18.

6. The most recent investment information summary filed under section 77.

7. The most recent statement of investment policies and procedures for the plan that is established under Part II. O. Reg. 178/12, s. 43 (4).

(3), (4) REVOKED: O. Reg. 307/98, s. 16 (4).

(5) The administrator shall comply with a written request under section 29 of the Act within thirty days after receipt of the request. R.R.O. 1990, Reg. 909, s. 45 (5).

(5.1) The administrator may use electronic means to provide the prescribed records under subsection 29 (5) of the Act to a person described in subsection 29 (1) of the Act with the person's permission. O. Reg. 178/12, s. 43 (5).

(5.2) For the purposes of subsection 29 (7) of the Act, the maximum amount of the applicable fee is 25 cents per page for each paper copy and \$5 for each request for one or more records to be provided by electronic means. O. Reg. 178/12, s. 43 (5).

(6) A person making a request under section 29 of the Act is entitled to have access to those parts of the pension plan and other documents or information that are applicable to the person. R.R.O. 1990, Reg. 909, s. 45 (6); O. Reg. 178/12, s. 43 (6).

(7) If the administrator of a pension plan receives a written request from a person described in subsection 29 (1) of the Act for a record that the administrator is required to make available under this section and the record includes personal information about another individual, the administrator shall disclose as much of the record as can reasonably be severed without disclosing the personal information about the other individual. O. Reg. 529/21, s. 3 (2).

(8) In subsection (7), "personal information" has the same meaning as in section 2 of the *Freedom of Information and Protection of Privacy Act*. O. Reg. 529/21, s. 3 (2).

Access to filed records

46. (1) For the purposes of paragraph 2 of subsection 30 (1) of the Act, the following are prescribed documents that the persons described in subsection 29 (1) of the Act are entitled to inspect at the office of the Chief Executive Officer:

1. The records described in subsection 45 (1) of this Regulation. O. Reg. 178/12, s. 44; O. Reg. 235/14, s. 7 (1); O. Reg. 149/19, s. 1; O. Reg. 529/21, s. 4 (1).

(2) For the purposes of subsection 30 (3) of the Act, the following are the prescribed records to be provided to the persons described in subsection 29 (1) of the Act:

1. The records described in subsection 45 (2) of this Regulation. O. Reg. 178/12, s. 44; . O. Reg. 235/14, s. 7 (2); O. Reg. 529/21, s. 4 (1).

(3) The Chief Executive Officer may use electronic means to provide the prescribed records under subsection 30 (3) of the Act to a person described in that subsection with the person's permission. O. Reg. 178/12, s. 44; O. Reg. 149/19, s. 1.

(4) A person making a request under section 30 of the Act is entitled to have access to those parts of the pension plan and other documents or information that are applicable to the person. O. Reg. 178/12, s. 44.

(5) If the Chief Executive Officer receives a written request from a person described in subsection 29 (1) of the Act for a document that the Chief Executive Officer is required to provide to the person under this section and the document includes personal information about another individual, the Chief Executive Officer shall disclose as much of the document as can reasonably be severed without disclosing the personal information about the other individual. O. Reg. 529/21, s. 4 (2).

(6) In subsection (5), "personal information" has the same meaning as in section 2 of the *Freedom of Information and Protection of Privacy Act*. O. Reg. 529/21, s. 4 (2).

EXEMPTIONS**Exemptions, various**

47. (1) Pension benefits provided by the following pension plans are not guaranteed by the Guarantee Fund and are exempted from subsection 18 (7) and sections 30 and 37:

1. The Improved Retirement Plan for the Employees of The Corporation of the City of Chatham.

2. The City of Etobicoke Pension Plan.

3. The Town of Gananoque Employees Pension Plan.

4. The Corporation of the City of Hamilton Municipal Retirement Fund.

5. The Hamilton-Wentworth Retirement Fund.

6. The Corporation of the City of Kitchener Pension Plan for Fire Department Employees.

7. REVOKED: O. Reg. 386/04, s. 9 (1).

8. The Corporation of the City of North Bay Employees' Pension Plan.

8.1 The Registered Pension Plan for Employees of The Township of North Glengarry.

9. REVOKED: O. Reg. 413/07, s. 5.
10. The Ontario Public Service Employees' Union Pension Plan.
11. The Corporation of the City of Oshawa Employees' Pension Plan.
12. The City of Ottawa Superannuation Fund.
- 12.1 Public Service Pension Plan.
13. The Corporation of the Town of Tillsonburg Employees Pension Plan.
14. The Metropolitan Toronto Pension Plan.
15. The Municipality of Metropolitan Toronto Police Benefit Fund.
16. The Toronto Civic Employees Pension and Benefit Fund.
17. The Toronto Fire Department Superannuation and Benefit Fund.
18. The Corporation of the City of York Employee Pension Plan.
19. The Hamilton Street Railway Pension Plan (1994). O. Reg. 73/95, s. 8 (1); O. Reg. 386/04, s. 9; O. Reg. 413/07, s. 5; O. Reg. 395/15, s. 1.

(2) The following pension benefits and ancillary benefits are not guaranteed by the Guarantee Fund:

1. Consent benefits, other than funded consent benefits.
2. Special allowances, other than funded special allowances.
3. Prospective benefit increases.
4. Escalated adjustments.
5. Potential early retirement window benefit values.
6. Plant closure benefits, other than plant closure benefits for which a member has met the age and service eligibility requirements.
7. Permanent layoff benefits, other than permanent layoff benefits for which a member has met the age and service eligibility requirements. O. Reg. 712/92, s. 25 (1); O. Reg. 178/12, s. 45 (1).

(2.1) The following are prescribed classes of pension plans for the purposes of paragraph 6 of section 85 of the Act:

1. Designated plans.
 - 1.1 Individual pension plans.
2. Pension plans for a period of five years following the time at which they cease to be designated plans or individual pension plans.
3. Jointly sponsored pension plans. O. Reg. 73/95, s. 8 (2); O. Reg. 116/06, s. 20; O. Reg. 178/12, s. 45 (2, 3).

(3) The following pension plans are exempted from the application of the Act and the regulations:

1. The *Legislative Assembly Retirement Allowances Act*.
 - 1.1 The *MPPs Pension Act, 1996*.
 2. The pension plan set out in Part II of Ontario Regulation 290/13 (Pensions and Survivor Allowances for Provincial Judges) made under the *Courts of Justice Act* and the supplemental pension plan set out in Part III of that Regulation.
 - 2.1 The non-registered supplemental pension plan for Justices of the Peace established by Order in Council 1902/09.
 - 2.2 The non-registered supplemental pension plan for Associate Judges established by Order in Council 515/2017.
 3. Pension plans under which annual retirement allowances are granted or purportedly granted under section 98 of the *Municipal Act* or section 179 of the *Education Act*.
 4. A profit-sharing plan that was accepted for registration by the Minister of National Revenue for Canada before the 1st day of January, 1965 under the *Income Tax Act* (Canada) and that provided at the time of such acceptance that each member may take the member's entire interest in the plan in a cash sum when the member ceases to be an employee whether by retirement or other termination of employment and that was exempted from the application of the *Pension Benefits Act*, being chapter 373 of the Revised Statutes of Ontario, 1980.
 5. A retirement compensation arrangement as defined in subsection 248 (1) of the *Income Tax Act* (Canada).
 6. A plan that provides only benefits that exceed the maximum benefit limits applicable to a pension plan that is registered under the *Income Tax Act* (Canada).
 7. A plan that permits only contributions that are in excess of the maximum contribution limit applicable to a pension plan that is registered under the *Income Tax Act* (Canada). R.R.O. 1990, Reg. 909, s. 47 (3); O. Reg. 69/92, s. 1; O. Reg. 665/94, s. 3 (1); O. Reg. 504/96, s. 1; O. Reg. 477/09, s. 1; O. Reg. 291/13, s. 1; O. Reg. 69/17, s. 1; O. Reg. 596/21, s. 1.
- (4) Every employer who, on January 1, 1988, maintained a pension plan that provides defined benefits is exempt from subsection 19 (1) of the *Pension Benefits Act, 1987* for the period ending December 31, 1994. O. Reg. 785/93, s. 1.
- (5) The parties to a collective agreement or arbitration award governing a pension plan described in subsection 19 (2) of the *Pension Benefits Act, 1987* that provides defined benefits are exempt from that subsection for the period ending December 31, 1994. O. Reg. 785/93, s. 1.
- (6) REVOKED: O. Reg. 760/91, s. 1 (2).
- (7) The administrator of a pension plan is exempt from the following provisions with respect to benefits provided under qualifying annuity contracts:
1. Section 42 of the Act.
 2. Section 24 of this Regulation. O. Reg. 712/92, s. 25 (2); O. Reg. 49/17, s. 7.
- (7.1) The administrator of a pension plan need not comply with section 14 with respect to a plan under which all benefits are provided under qualifying annuity contracts. O. Reg. 712/92, s. 25 (2).
- (8) REVOKED: O. Reg. 760/91, s. 1 (4).
- (9), (10) REVOKED: O. Reg. 178/12, s. 45 (4).

(11) Subject to subsection (12), subsection 14 (1) of the Act does not apply to a pension plan with respect to an amendment that is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2).

(12) Subsection (11) does not apply with respect to an amendment unless, at least 60 days before the amendment is effective, the administrator of the pension plan gives the Chief Executive Officer notice of the amendment together with evidence that the amendment is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2); O. Reg. 149/19, s. 1.

(13) Subject to subsection (14), subsection 63 (1) of the Act does not apply to a refund of contributions to a member, former member or retired member of a pension plan if the refund is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2); O. Reg. 178/12, s. 45 (5).

(14) Subsection (13) does not apply with respect to a refund unless, at least 60 days before the refund is made, the administrator of the pension plan gives the Chief Executive Officer notice of the refund together with evidence that the refund is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2); O. Reg. 149/19, s. 1.

(15) Subject to subsection (16), subsection 78 (1) of the Act does not apply to a pension fund with respect to a payment of money to an employer if the payment is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2).

(16) Subsection (15) does not apply with respect to a payment unless, at least 60 days before the payment is made, the administrator of the pension plan gives the Chief Executive Officer notice of the payment together with evidence that the payment is required to avoid revocation of registration of the pension plan under the *Income Tax Act* (Canada). O. Reg. 665/94, s. 3 (2); O. Reg. 149/19, s. 1.

Exemptions re certain university pension plans

47.0.1 (1) This section applies with respect to the following pension plans:

1. Revised Pension Plan of Queen's University, registered under the Act as number 0344929.
2. University of Toronto Pension Plan, registered under the Act as number 0312827.
3. Pension Plan for Professional Staff of University of Guelph, registered under the Act as number 0324616.
4. Pension Plan for Non-Professional Staff of University of Guelph, registered under the Act as number 0324632.
5. Retirement Plan of University of Guelph, registered under the Act as number 0324624. O. Reg. 32/20, s. 1.

(2) Each pension plan is a prescribed pension plan for the purposes of paragraph 6 of section 85 of the Act beginning on March 1, 2020 on the condition that the pension plan is converted into a jointly sponsored pension plan through a transfer of assets and liabilities to another pension plan that is a jointly sponsored pension plan under section 80.4 of the Act. O. Reg. 32/20, s. 1.

(3) For purposes of calculating the assessment payable under section 37 in respect of a pension plan for the fiscal year of the pension plan in which March 1, 2020 falls, the amount determined in accordance with the formula in subsection 37 (4) shall be prorated for the period beginning on the first day of the fiscal year and ending on February 29, 2020. O. Reg. 32/20, s. 1.

(4) The rules set out in subsection (5) apply with respect to a pension plan on the earliest of the following dates:

1. July 1, 2022, if, by that date, all the steps required under the Act and the regulations under the Act to implement the conversion of the pension plan into a jointly sponsored pension plan through a transfer of assets and liabilities to another pension plan that is a jointly sponsored pension plan under section 80.4 of the Act have not been completed.
2. If an application for the Chief Executive Officer's consent to the transfer of assets from the pension plan to a jointly sponsored pension plan is made under subsection 80.4 (11) of the Act and the application for registration of the jointly sponsored pension plan is not received by the Chief Executive Officer within 90 days after the application for consent is made, the date that is the day after the end of that 90-day period.
3. If an application for the Chief Executive Officer's consent to the transfer of assets from the pension plan to a jointly sponsored pension plan is made under subsection 80.4 (11) of the Act and the Chief Executive Officer has served notice of an intended decision to refuse consent on the employer of the pension plan and subsequently serves notice on the employer of the decision being made, the date of service of notice of the decision being made.
4. In the case of the pension plan referred to in paragraph 1 of subsection (1), if the Board of Trustees of Queen's University at Kingston passes a resolution providing in effect that Queen's University at Kingston will not be proceeding to convert the pension plan into a jointly sponsored pension plan under section 80.4 of the Act, the date on which the resolution is passed.
5. In the case of the pension plan referred to in paragraph 2 of subsection (1), if the Governing Council of the University of Toronto passes a resolution providing in effect that the University of Toronto will not be proceeding to convert the pension plan into a jointly sponsored pension plan under section 80.4 of the Act, the date on which the resolution is passed.
6. In the case of a pension plan referred to in paragraph 3, 4 or 5 of subsection (1), if the Board of Governors of the University of Guelph passes a resolution providing in effect that the University of Guelph will not be proceeding to convert the pension plan into a jointly sponsored pension plan under section 80.4 of the Act, the date on which the resolution is passed. O. Reg. 32/20, s. 1.

(5) The following are the rules referred to in subsection (4):

1. The pension plan is not a prescribed pension plan for the purposes of paragraph 6 of section 85 of the Act.
2. For greater certainty, the pension plan was not a prescribed pension plan for the purposes of paragraph 6 of section 85 of the Act during the period that began on March 1, 2020 and that ended on the date this subsection applies.
3. The employer of the pension plan is required to pay, no later than 30 days after the date on which this subsection applies, the amount of the annual assessment under section 37 that did not become due in respect of the pension plan but would have become due if the pension plan had not been a prescribed pension plan for the purposes of paragraph 6 of section 85 of the Act. O. Reg. 32/20, s. 1.

Exemptions re Ontario Teachers' Pension Plan

47.1 (1) The Ontario Teachers' Pension Plan continued under the *Teachers' Pension Act* is exempted from the following:

1. Subsection 38 (1) of the Act.
2. Section 62 of the Act, with respect to investments made before the 1st day of January, 1992.
3. Paragraphs 3, 3.0.1 and 5 of subsection 4 (4) of this Regulation.
4. Section 30 of this Regulation.

5. Section 37 of this Regulation.
6. REVOKED: O. Reg. 343/15, s. 1 (2).

O. Reg. 760/91, s. 2; O. Reg. 409/94, s. 6 (1); O. Reg. 343/15, s. 1 (1, 2); O. Reg. 250/18, s. 34.

(2) Despite subsection 40 (2), the administrator of the Ontario Teachers' Pension Plan shall provide the statement required under subsection 27 (1) of the Act to members on or before November 30 of the year following the fiscal year end of the plan. O. Reg. 343/15, s. 1 (3).

Exemptions re Public Service Pension Plan

47.2 The Public Service Pension Plan continued under the *Public Service Pension Act* is exempted from the following:

1. Subsection 22 (1) of the Act.
2. Section 62 of the Act.
- 2.1 Section 69 of the Act.
3. Paragraphs 3, 3.0.1 and 5 of subsection 4 (4) of this Regulation.
4. Section 30 of this Regulation.
5. Section 37 of this Regulation.
6. Section 76 of this Regulation, with respect to the plan fiscal years that ended on the 31st day of March in 1989 and 1990. O. Reg. 760/91, s. 2; O. Reg. 409/94, s. 6 (2); O. Reg. 343/95, s. 1; O. Reg. 250/18, s. 35.

Exemption re Ontario Public Service Employees' Union Pension Plan

47.3 The Ontario Public Service Employees' Union Pension Plan established under the *Ontario Public Service Employees' Union Pension Act, 1994* is exempt from section 69 of the Act. O. Reg. 343/95, s. 2.

Exemptions re OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics

47.3.1 The employers who are required to make contributions under the OMERS Supplemental Pension Plan for Police, Firefighters and Paramedics, registered under the Act as number 1175892, and the members of the pension plan are exempt from the requirement to make contributions under clause 4 (2) (a) with respect to any solvency deficiency under the plan and from the requirement to make special payments under clauses 4 (2) (c) and 4 (2.4) (b) with respect to any solvency deficiency under the plan. O. Reg. 413/07, s. 6.

47.4 REVOKED: O. Reg. 178/12, s. 46.

47.5 REVOKED: O. Reg. 533/21, s. 10.

47.6 REVOKED: O. Reg. 178/12, s. 47.

47.7 REVOKED: O. Reg. 533/21, s. 11.

Exemptions re s. 4 (2.3), specified pension plans

47.7.1 (1) This section applies to the following pension plans:

1. Colleges of Applied Arts and Technology Pension Plan, registered under the Act as number 0589895.
2. Healthcare of Ontario Pension Plan, registered under the Act as number 0346007.
3. OMERS Primary Pension Plan, registered under the Act as number 0345983.
4. Ontario Public Service Employees' Union Pension Plan, registered under the Act as number 1012046.
5. Ontario Teachers' Pension Plan, registered under the Act as number 0345785.
6. Toronto Transit Commission Pension Fund Society, registered under the Act as number 0317586.
7. Workplace Safety and Insurance Board Employees' Pension Plan, registered under the Act as number 0579839.
8. University Pension Plan Ontario, registered under the Act as number 1357243. O. Reg. 442/17, s. 1; O. Reg. 285/20, s. 2; O. Reg. 670/20, s. 2.

(2) Despite clause 4 (2.2) (b), the rules in paragraphs 1.2, 1.2.1 and 2 of subsection 4 (2.3) are not required to be satisfied. O. Reg. 442/17, s. 1; O. Reg. 250/18, s. 36.

47.7.2 REVOKED: O. Reg. 447/12, s. 2.

OMERS – non-application of federal investment regulations, derivative contract, specified conditions

47.8 (1) Subsection 9 (1) of Schedule III of the federal investment regulations, as defined in section 66, does not apply in respect of a derivative contract described in subparagraph 4 ii of subsection 35.1 (5) of the *Ontario Municipal Employees Retirement System Act, 2006* if the following conditions are satisfied:

1. The return is based on the performance of all or, with regards to the number of investments, a diversified part of the pension fund maintained to provide benefits in respect of any of the OMERS pension plans.
2. The derivative contract is entered into by an administrator with either,
 - i. a corporation that is an authorized subsidiary of the OMERS Administration Corporation under section 35.1 of the *Ontario Municipal Employees Retirement System Act, 2006*, or
 - ii. an investment entity described in subsection 35.1 (4) of the *Ontario Municipal Employees Retirement System Act, 2006*.
3. After the administrator enters into the derivative contract, not more than 10 per cent of the total book value of the pension fund of the pension plan administered by the administrator is directly or indirectly invested in any one underlying asset, business or investment. O. Reg. 396/11, s. 1.

(2) In this section,

“OMERS pension plans” has the same meaning as in subsection 1 (1) of the *Ontario Municipal Employees Retirement System Act, 2006*. O. Reg. 396/11, s. 1.

Exemptions re General Motors Pension Plans

47.9 (1) This section applies with respect to the pension plans listed in section 1 of Ontario Regulation 321/09 (General Motors Pension Plans) made under the Act. O. Reg. 252/18, s. 1.

(2) The pension plans are exempt from sections 14.0.1 and 55.1 of the Act. O. Reg. 252/18, s. 1.

(3) The provision for adverse deviations for the pension plans is deemed to be zero, despite section 11.2. O. Reg. 252/18, s. 1.

(4) The following provisions of this Regulation do not apply to the pension plans:

1. Clause (c) of the definition of “going concern assets” in subsection 1 (2).
2. Clause (b) of the definition of “past service unfunded actuarial liability” in subsection 1 (2).
3. Sub-subclause (a) (ii) (B) of the definition of “transfer ratio” in subsection 1 (2).
4. Clauses 1.2 (1) (d.1), (2.1) (b) and (2.2) (b).
5. Section 3.0.1.
6. Subsection 4 (1.1).
7. Clauses 4 (2) (a.1) and (b.1).
8. Subsection 4 (2.1.1).
9. Paragraphs 1.2.1 and 2.0.1 of subsection 4 (2.3).
10. Subsections 5 (1.0.0.1) and (17.1).
11. Subsections 7 (1.1) and (3.1.1).
12. Sections 7.0.1, 7.0.2, 7.0.3 and 8.
13. Subsection 11 (4).
14. Subsections 14 (8.0.2), (8.0.4) and (8.0.5).
15. Clauses 40 (1) (q.1) and (q.2).
16. Subsection 40 (3).
17. Clauses 40.1 (1) (n.1) and (n.2).
18. Subsection 40.1 (4).
19. Clauses 40.2 (1) (m.1) and (m.2).
20. Subsection 40.2 (4).
21. Subsection 78 (7). O. Reg. 252/18, s. 1; O. Reg. 105/19, s. 22.

(5) The provisions of this Regulation listed in subsection (6) are deemed to apply to the pension plans for every report, despite any reference in the provisions to the fact that they apply with respect to reports with a valuation date before December 31, 2017 or to jointly sponsored pension plans listed in subsection 1.3.1 (3). O. Reg. 252/18, s. 1.

(6) The provisions referred to in subsection (5) are the following:

1. Clause (b) of the definition of “going concern assets” in subsection 1 (2).
2. Clause (a) of the definition of “past service unfunded actuarial liability” in subsection 1 (2).
3. Sub-subclause (a) (ii) (A) of the definition of “transfer ratio” in subsection 1 (2).
4. Clauses 1.2 (1) (d), (2.1) (a) and (2.2) (a).
5. Clause 4 (2) (a).
6. Paragraphs 1.2 and 2 of subsection 4 (2.3).
7. Subsection 5 (17).
8. Subsections 14 (7) and (8).
9. Clause 40 (1) (q).
10. Clause 40.1 (1) (n).
11. Clause 40.2 (1) (m). O. Reg. 252/18, s. 1.

Exemption, significant shareholder plans

48. Subsection 14 (1) of the Act does not apply to a member of a defined benefit pension plan who is a significant shareholder where the employer providing the pension plan and the significant shareholder consent in writing to the non-application of section 14 of the Act and file the consent. R.R.O. 1990, Reg. 909, s. 48.

Exemption, multi-employer pension plan — conflict of interest

49. (1) Subsection 22 (4) of the Act does not apply to an administrator of a multi-employer pension plan who enters into a transaction with a trade union, council of trade unions, employer, employers' association or an employee benefit trust fund in which a member of the board of trustees or committee holds any office or position, where the transaction is,

(a) only for purchase or lease of office space, for legal, accounting or other services, materials or equipment necessary for the administration and operation of the pension plan, provided that the compensation paid therefor is reasonable in the circumstances; and

(b) permitted under the documents that create and support the pension plan or any amendments thereto. R.R.O. 1990, Reg. 909, s. 49 (1).

(2) Subsection 22 (4) of the Act does not apply to an administrator of a multi-employer pension plan or, where the administrator is a pension committee or a board of trustees, to a member of the committee or board who enters into a transaction, other than a transaction referred to in subsection (1), related to the administration of the pension plan or pension fund that,

(a) is in the interest of the members, former members and retired members of the pension plan;

- (b) is protective of the rights of the members, former members and retired members of the pension plan;
- (c) is permitted under the documents that create and support the pension plan;
- (d) is disclosed to members, former members and retired members of the pension plan prior to entering into the transaction; and
- (e) confers no direct or indirect personal benefit upon the administrator or member of the pension committee or board of trustees. R.R.O. 1990, Reg. 909, s. 49 (2); O. Reg. 178/12, s. 49.

Exemption, multi-employer pension plans – notices and summaries re contribution

49.1 The following provisions do not apply with respect to a multi- employer pension plan established pursuant to a collective agreement, a trust agreement, a statute or a municipal by-law:

1. Subsection 56 (2) of the Act (notice that contributions not paid when due).
2. Section 56.1 of the Act (summary of required contributions, etc.). O. Reg. 144/00, s. 26.

MISCELLANEOUS

Integration formula (CPP/QPP offsets), s. 54 of the Act

50. For purposes of section 54 of the Act, the reduction of a pension or a deferred pension that may be required by a pension plan in relation to benefits under the *Canada Pension Plan*, the *Quebec Pension Plan* or the *Old Age Security Act (Canada)* shall not exceed,

- (a) if the plan has a *Canada Pension Plan* or *Quebec Pension Plan* offset, an amount calculated according to the following formula:

$$A \times (B / 35)$$

where,

A = the amount of pension that would be payable to the person under the *Canada Pension Plan* or the *Quebec Pension Plan*, calculated as of the date of termination of the person's employment or membership and calculated as if the person had reached 65 years of age at the date of termination,

B = the number of years, not exceeding thirty-five, including parts of a year, of employment credited to the person under the pension plan; and

- (b) if the plan has, prior to the 1st day of January, 1987, an offset for the *Old Age Security Act (Canada)*, an amount calculated according to the following formula:

$$C \times (D / 35)$$

where,

C = the amount of pension payable under the *Old Age Security Act (Canada)* calculated as of the date of termination of the person's employment or membership,

D = the number of years, not exceeding thirty-five, including parts of a year, of employment credited to the person under the pension plan before the 1st day of January, 1987.

R.R.O. 1990, Reg. 909, s. 50; O. Reg. 144/00, s. 27.

Reduction of bridging benefits

51. (1) If a member or former member has satisfied all of the eligibility requirements to receive a bridging benefit or if a retired member is receiving a bridging benefit, the amount or value of the bridging benefit shall not be reduced simply because the member, former member or retired member is eligible or entitled, under the *Canada Pension Plan*, the *Quebec Pension Plan* or the *Old Age Security Act (Canada)*, to receive actuarially reduced payments before reaching 65 years of age. O. Reg. 178/12, s. 50.

(2) If a pension plan provides a bridging benefit without specifying the age at which the benefit is reduced or ceases, the plan is deemed to specify that the bridging benefit is reduced or ceases when the member, former member or retired member reaches 65 years of age. O. Reg. 178/12, s. 50.

(3) However, subsection (2) does not apply if the pension plan is amended after December 31, 1986 to specify that the bridging benefit is reduced or ceases in one, or both, of the following circumstances:

1. When the member, former member or retired member reaches a specified age that is younger than 65 years of age.
2. When a specified event occurs. O. Reg. 178/12, s. 50.

Shortened life expectancy

51.1 (1) This section applies with respect to a variation in the terms of payment of a pension or deferred pension under subsection 49 (2) of the Act (shortened life expectancy). O. Reg. 144/00, s. 28.

(2) The following are prescribed as the circumstances of shortened life expectancy in which a pension plan shall be deemed to permit variation in the terms of payment of a pension or deferred pension:

1. A former member or retired member has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years. O. Reg. 144/00, s. 28; O. Reg. 178/12, s. 51 (2).

(3) The following are the prescribed conditions that must be satisfied for the purposes of subsection 49 (2) of the Act:

1. An application must be made to the administrator of the pension plan for,
 - i. the withdrawal from the pension fund of the commuted value of the former member's deferred pension or the retired member's pension, or
 - ii. in the case of a retired member receiving variable benefits, the withdrawal from the retired member's variable benefit account.
2. The application must be signed by the former member or retired member and must be accompanied by the following documents:
 - i. A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the physician's opinion, the former member or retired member has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
 - ii. A declaration described in subsection (4) or (5), as the case may be, about a spouse. O. Reg. 178/12, s. 51 (3); O. Reg. 369/19, s. 3 (1).

(4) If the application is made before the due date of the first instalment of the former member's or retired member's pension, any of the following documents constitutes a declaration about a spouse:

1. A statement signed by the former member's or retired member's spouse, if any, that the spouse consents to the withdrawal from the pension fund.

2. A statement signed by the former member or retired member attesting to the fact that he or she does not have a spouse.
3. A statement signed by the former member or retired member attesting to the fact that, on the date that he or she signs the application to make the withdrawal from the pension fund, he or she is living separate and apart from his or her spouse. O. Reg. 178/12, s. 51 (3).

(4.1) REVOKED: O. Reg. 178/12, s. 51 (3).

(5) If the application is made on or after the due date of the first instalment of the retired member's pension, any of the following documents constitutes a declaration about a spouse:

1. A statement signed by the person, if any, who was the retired member's spouse on the due date of the first instalment of the pension, that the person consents to the withdrawal from the pension fund.
2. A statement signed by the retired member attesting to the fact that, on the due date of the first instalment of the pension,
 - i. he or she did not have a spouse,
 - ii. he or she was living separate and apart from his or her spouse, or
 - iii. a waiver of the entitlement to receive payment of pension benefits in the form of a joint and survivor pension, delivered under section 46 of the Act by the retired member and his or her spouse, was in effect. O. Reg. 178/12, s. 51 (3).

(6) A declaration about a spouse is a nullity if it is signed by the former member or retired member, as the case may be, or by the spouse more than 60 days before the administrator receives it. O. Reg. 178/12, s. 51 (3).

(7) When the administrator receives a document required by this section, the administrator shall give the former member or retired member a receipt for the document stating the day on which it was received. O. Reg. 178/12, s. 51 (3).

(8) Subparagraph 2 ii of subsection (3) and subsections (4), (5) and (6) do not apply in respect of the withdrawal of funds from a retired member's variable benefit account. O. Reg. 369/19, s. 3 (2).

Variation of pension benefits

52. (1) The age at which a variation shall be deemed to occur in a pension plan that provides that a pension benefit may be varied as the result of retirement benefits payable under the *Canada Pension Plan* or the *Quebec Pension Plan* where the pension plan does not state the specific age at which the variation is to occur is sixty-five years of age. R.R.O. 1990, Reg. 909, s. 52 (1).

(2) Subsection (1) does not apply to a pension plan that is amended after the 31st day of December, 1986 to establish a specific age or to provide for the occurrence of a specific event for variation of the pension benefit prior to the recipient attaining sixty-five years of age. R.R.O. 1990, Reg. 909, s. 52 (2).

(3) A pension plan that provides a pension benefit that may be varied as a result of a recipient's entitlement to a retirement pension under the *Canada Pension Plan* or the *Quebec Pension Plan* prior to attaining the age of sixty-five years shall take into account the adjustment made to the retirement pension under the *Canada Pension Plan* or the *Quebec Pension Plan*. R.R.O. 1990, Reg. 909, s. 52 (3).

Individual level premium contracts, deferred pension, ss. 36 and 37 of the Act

53. A deferred pension referred to in sections 36 and 37 of the Act provided under a pension plan that is insured by individual level premium contracts may, in the case of an individual level premium contract issued prior to the qualification date, be equal to the paid up annuity under the contract arising from contributions made with respect to employment on or after the qualification date if the special payments required with respect to the deferred pension under the contract have all been paid or will continue to be paid. R.R.O. 1990, Reg. 909, s. 53.

Pension fund trustee

54. A pension fund shall be administered only,

- (a) by a government;
- (b) by an insurance company;
- (c) by a trust in Canada governed by a written trust agreement under which the trustees are,
 - (i) a trust corporation registered under the *Loan and Trust Corporations Act*,
 - (ii) three or more individuals, at least three of whom reside in Canada and at least one of whom is independent of any employer contributing to the pension fund, to the extent the individual is neither a significant shareholder, partner, proprietor, director, officer, nor an employee of an employer contributing to the fund or an affiliate of the employer, or
 - (iii) a corporate pension society (established under the *Pension Fund Societies Act (Canada)*);
- (d) under the *Government Annuities Act (Canada)*;
- (e) by a board, agency, commission or corporation made responsible by an Act of the Legislature for the administration of the pension fund; or
- (f) by any combination referred to in clauses (a) to (e). R.R.O. 1990, Reg. 909, s. 54.

Plan fiscal year

55. (1) Unless otherwise stated in the pension plan documents, the fiscal year of a pension plan shall be deemed to commence on the 1st day of January and end on the 31st day of December. R.R.O. 1990, Reg. 909, s. 55 (1).

(2) No fiscal year of a pension plan shall exceed twelve months. R.R.O. 1990, Reg. 909, s. 55 (2).

56. REVOKED: O. Reg. 288/11, s. 5.

Filing of reciprocal agreements

57. The administrator of a pension plan shall submit for filing a certified copy of any reciprocal agreement entered into on or after the 1st day of January, 1988 within sixty days after the execution of the agreement. R.R.O. 1990, Reg. 909, s. 57.

Additional ancillary benefits, s. 40 of the Act

58. The following are prescribed as ancillary benefits for purposes of section 40 of the Act:

1. Survivor benefits in excess of those required under subsection 44 (3) of the Act.
2. REVOKED: O. Reg. 178/12, s. 52.

R.R.O. 1990, Reg. 909, s. 58; O. Reg. 178/12, s. 52.

59. REVOKED: O. Reg. 178/12, s. 53.

60. REVOKED: O. Reg. 570/06, s. 7.

Apportionment of benefits — final average or best average earnings plans

61. For purposes of section 39 of the Act, the portion of the pension benefit attributable to employment after the 1st day of January, 1987 in a pension plan that provides a pension benefit based on a rate of remuneration of a plan member as of the date that the plan member terminates employment or that is based on an average of the rates of remuneration of a plan member over a specified or limited time period up to the date the plan member terminates employment is,

(a) the pension benefit,

less,

(b) the pension benefit calculated in accordance with the terms of the plan at the 31st day of December, 1986 using the rate of remuneration of the plan member as of the date of termination of employment or the average of the rates of remuneration of the plan member over the specified or limited time period, as the case may be. R.R.O. 1990, Reg. 909, s. 61.

Reciprocal transfer agreement — 50 per cent rule

62. Subsection 39 (3) of the Act does not apply to the transfer of money or credits from one pension plan to another plan in accordance with a reciprocal transfer agreement. R.R.O. 1990, Reg. 909, s. 62.

Offsets from pre-retirement death benefits

63. (1) A pension plan may provide for the reduction of an entitlement under section 48 of the Act by an amount equal to that part of a group life insurance payment payable on the death of the member, former member or retired member that can be considered to have been paid by employer premiums. R.R.O. 1990, Reg. 909, s. 63 (1); O. Reg. 178/12, s. 54 (1).

(2) An entitlement under section 48 of the Act shall not be offset by an amount greater than the group life insurance payment times the rate of the employer paid cost of the group life insurance policy to the total cost of the policy for the relevant class of employees, taking into account in both the numerator and the denominator the ratio of any experience or other refunds. R.R.O. 1990, Reg. 909, s. 63 (2).

(3) The ratio referred to in subsection (2) shall be averaged over a period not exceeding five years. R.R.O. 1990, Reg. 909, s. 63 (3).

(4) The actuarial present value of a reduction to an entitlement under section 48 of the Act may not exceed the amount of the payment under the group life insurance plan. R.R.O. 1990, Reg. 909, s. 63 (4).

(5) In the case of a pension plan that provides contributory benefits, the reduction referred to in subsection (1) shall not reduce an entitlement under section 48 of the Act to less than the aggregate of the required contributions of the member, former member or retired member, with interest in accordance with section 24. R.R.O. 1990, Reg. 909, s. 63 (5); O. Reg. 178/12, s. 54 (2).

(6) A reduction under this section may not be made unless the group life insurance contract provides for payment of the insurance payment to the spouse of a member, former member or retired member, where there is a spouse at the date of death or the spouse has waived the insurance payment. O. Reg. 324/05, s. 14; O. Reg. 178/12, s. 54 (3).

(7) Subsection 48 (11) of the Act does not apply to pension plans that provide defined contribution benefits. R.R.O. 1990, Reg. 909, s. 63 (7).

Calculation of survivor benefit and pre-retirement death benefit — bridging benefit

64. A bridging benefit need not be taken into account when calculating,

- (a) the amount of a pension for purposes of subsection 44 (3) of the Act; or
- (b) the commuted value of a deferred pension or a pension benefit under section 48 of the Act. R.R.O. 1990, Reg. 909, s. 64.

Advisory committees, s. 24 of the Act

65. (1) The following are the prescribed conditions and restrictions relating to the establishment of an advisory committee under subsection 24 (1) of the Act:

1. Notice of intent to establish an advisory committee must be provided to the administrator,
 - i. by at least 10 individuals, each of whom is either a member or a retired member, or
 - ii. by one or more trade unions, if the union or unions represent at least 10 members.
2. On the day the administrator receives the notice, the pension plan must have a combined total of at least 50 members or retired members.
3. The notice must contain,
 - i. the name of the pension plan and its provincial registration number,
 - ii. in the case of a notice provided by members or retired members, the name, address and class of membership of each of them, and their email address, if any, and
 - iii. in the case of a notice provided by a trade union, the trade union's name and address and the name and email address of a contact person. O. Reg. 351/16, s. 1.

(2) Within 30 days after receiving the notice, the administrator shall contact the individuals or trade union that provided the notice to discuss the manner in which the administrator proposes to comply with the requirements in subsection (3). O. Reg. 351/16, s. 1.

(3) Within 90 days after receiving the notice, the administrator shall,

(a) notify all members and retired members that a vote will be conducted respecting whether to establish an advisory committee;

(b) distribute the ballot for voting and provide details about how to participate in the vote; and

(c) distribute any information,

(i) that was prepared by the members, retired members or trade union that provided notice under subsection (1), and

(ii) that describes the purposes of an advisory committee, as set out in subsection 24 (4) of the Act. O. Reg. 351/16, s. 1.

(4) In order to comply with subsection (3), the administrator may distribute a single notification package to each member and retired member. O. Reg. 351/16, s. 1.

(5) A vote respecting whether to establish an advisory committee shall be conducted by secret ballot using one or more of the following methods:

1. Voting in person by casting ballots at a meeting of members and retired members.

2. Electronically.

3. By mail.

4. By casting ballots at a specified location. O. Reg. 351/16, s. 1.

(6) The administrator shall notify all members, former members and retired members, as well as any trade union that provided notice under subsection (1), of the outcome of the vote. O. Reg. 351/16, s. 1.

(7) If the vote is in favour of establishing an advisory committee, one shall be established and shall be composed of at least four and not more than 15 representatives appointed in accordance with the rules in subsections 24 (3) and (3.1) of the Act governing the advisory committee's composition. O. Reg. 351/16, s. 1.

(8) The administrator shall give information to the members, retired members or trade union that provided notice under subsection (1) with respect to the membership of the plan in order to facilitate appointments to the advisory committee. O. Reg. 351/16, s. 1.

(9) Once the representatives of the advisory committee have been appointed, the administrator shall,

(a) promptly contact them for the purpose of holding an initial meeting;

(b) discuss the administration of the pension plan and matters of interest to beneficiaries at a meeting to be held at least twice annually, or once annually if the advisory committee determines that more meetings are not required in a particular year;

- (c) arrange for the plan actuary to meet with them at least annually, in the case of a plan that provides defined benefits;
- (d) ensure they have access, at least annually, to an individual who can report on the fund's investments; and
- (e) provide reasonable administrative assistance for the advisory committee to prepare and distribute an annual report about its activities to members, former members, retired members and other beneficiaries. O. Reg. 351/16, s. 1.

(10) The following costs are payable out of the pension fund:

1. Reasonable costs associated with conducting a vote respecting whether to establish an advisory committee.
2. Reasonable costs relating to the advisory committee's establishment and operation. O. Reg. 351/16, s. 1.

(11) If a vote conducted under this section does not lead to an advisory committee being established, the administrator is not required to provide the assistance described in this section for three years after the date of the most recent vote and shall notify all members and retired members, as well as any trade union that provided notice under subsection (1), of this fact. O. Reg. 351/16, s. 1.

(12) The following criteria are prescribed for the purposes of clause 24 (6) (d) of the Act:

1. The pension plan must be administered by a governing body at least one of whose members is selected by the members of the plan or by a trade union acting on their behalf. O. Reg. 351/16, s. 1.

(13) Advisory committees established before the day subsection 2 (3) of Schedule 22 to the *Jobs for Today and Tomorrow Act (Budget Measures), 2016* comes into force are exempt from subsection 24 (3) of the Act for the period ending six months after the day subsection 11 (3) of the *Pension Benefits Amendment Act, 2010* comes into force. O. Reg. 351/16, s. 1.

Election or rescission by one employer

65.1 Where there is more than one employer for a plan, other than a multi-employer pension plan, an election or rescission under this Part by one employer for the plan shall be deemed to have been made by all employers for the plan. O. Reg. 712/92, s. 26.

Chief Executive Officer's power to appoint administrator

65.2 For the purposes of subsections 8 (1.1) and (1.2) of the Act, the following circumstances are prescribed as circumstances in which the Chief Executive Officer may appoint an administrator for a pension plan or act as administrator of a pension plan:

1. The pension plan is to be wound up in whole or in part and does not have an administrator.
2. The pension plan is to be wound up in whole or in part and has an administrator who fails to act.
3. As a result of an application under the *Companies' Creditors Arrangement Act (Canada)*, a court has made an order staying all proceedings taken against the employer who is required to make contributions under the pension plan.
4. A proposal, within the meaning of the *Bankruptcy and Insolvency Act (Canada)*, has been filed with an official receiver under that Act with respect to the employer who is required to make contributions under the pension plan.

5. A receiver or receiver-manager has been appointed in respect of some or all of the property of the employer who is required to make contributions under the pension plan. O. Reg 352/16, s. 1; O. Reg. 149/19, s. 1.

PART II PENSION FUND REQUIREMENTS

Interpretation

66. (1) In this Part,

“federal investment regulations” means sections 6, 7, 7.1 and 7.2 and Schedule III to the “Pension Benefits Standards Regulations, 1985” made under the *Pension Benefits Standards Act, 1985* (Canada) as they may be amended from time to time. O. Reg. 85/11, s. 1.

(2) For the purposes of this Part, a reference in the federal investment regulations to the Superintendent shall be deemed to be a reference to the Chief Executive Officer as defined in section 1 of the *Pension Benefits Act*. O. Reg. 144/00, s. 29; O. Reg. 149/19, s. 1; O. Reg. 32/20, s. 2.

(3) For the purposes of this Part, a reference in the federal investment regulations to a person’s spouse shall be deemed to be a reference to his or her spouse as defined in section 1 of the *Pension Benefits Act*. O. Reg. 324/05, s. 15.

67.-75. REVOKED: O. Reg. 144/00, s. 29.

Financial statements, auditor’s report

76. (1) The administrator shall file financial statements for the pension fund or plan as at the plan’s fiscal year end. R.R.O. 1990, Reg. 909, s. 76 (1); O. Reg. 307/98, s. 17.

(2) If, at the fiscal year end of a pension plan, the plan has \$10,000,000 or more in assets calculated at market value, the administrator shall file an auditor’s report respecting the financial statements. O. Reg. 712/92, s. 27; O. Reg. 420/19, s. 5 (2).

(2.1) Subsection (2) does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits. O. Reg. 66/22, s. 5.

(3) The auditor’s report referred to in subsection (2) shall be prepared by an accountant. R.R.O. 1990, Reg. 909, s. 76 (3).

(4) The financial statements and the auditor’s report shall be filed within six months after each fiscal year end of the plan occurring on or after the 31st day of December, 1988. R.R.O. 1990, Reg. 909, s. 76 (4).

(4.1) REVOKED: O. Reg. 287/20, s. 15 (2).

(5) The financial statements shall be comprised of a statement of net assets and a statement of changes in net assets and shall be prepared on the accrual basis of accounting. R.R.O. 1990, Reg. 909, s. 76 (5).

- (6) The financial statements shall be prepared in accordance with generally accepted accounting principles. R.R.O. 1990, Reg. 909, s. 76 (6).
- (7) The auditor's report referred to in subsection (2) shall be prepared in accordance with generally accepted auditing standards. R.R.O. 1990, Reg. 909, s. 76 (7).
- (8) Subject to the requirements of this section, the financial statements and the auditor's report shall be prepared in accordance with the principles and standards set out in the Handbook of the Chartered Professional Accountants of Canada, as amended from time to time. R.R.O. 1990, Reg. 909, s. 76 (8); O. Reg. 420/19, s. 5 (1).
- (9) The financial statements shall identify,
- (a) the name of the pension plan for which the statements have been prepared;
 - (b) the registration number of the pension plan in Ontario; and
 - (c) the fiscal period for which the financial statements have been prepared. R.R.O. 1990, Reg. 909, s. 76 (9).
- (10) The statement of net assets referred to in subsection (5) shall disclose at least,
- (a) the market value and book value of each category of investments referred to in subsection (11) at the beginning and end of the period to which the statement refers;
 - (b) income accrued and not yet received;
 - (c) payments due and payable by,
 - (i) the employer or employers, and
 - (ii) members; and
 - (d) amounts payable, indicating by whom the amounts are payable and their nature and amount. R.R.O. 1990, Reg. 909, s. 76 (10).
- (11) For the purposes of clause (10) (a), when book values are not maintained in the records of the plan, the carrying value in the records of the plan shall be shown in lieu thereof. R.R.O. 1990, Reg. 909, s. 76 (11).
- (12) For the purposes of clause (10) (a), investments shall be itemized according to the following categories:
1. Insured contracts.
 2. Mutual or pooled funds or segregated funds.
 3. Demand deposits and cash on hand.
 4. Short-term notes and treasury bills.
 5. Term deposits and guaranteed investment certificates.
 6. Mortgage loans.

7. Real estate.
8. Real estate debentures.
9. Resource properties.
10. Venture capital.
11. Corporations referred to in subsection 11 (2) of Schedule III to the federal investment regulations.
12. Employer issued securities.
13. Canadian stocks other than investments referred to in paragraphs 1 to 12.
14. Non-Canadian stocks other than investments referred to in paragraphs 1 to 12.
15. Canadian bonds and debentures other than investments referred to in paragraphs 1 to 12.
16. Non-Canadian bonds and debentures other than investments referred to in paragraphs 1 to 12.
17. Investments other than investments referred to in paragraphs 1 to 16. R.R.O. 1990, Reg. 909, s. 76 (12); O. Reg. 144/00, s. 30.

(13) The financial statements shall disclose,

- (a) related party transactions as recommended in the Handbook of the Chartered Professional Accountants of Canada, as amended from time to time;
- (b) for individual investments where either the book value or the market value exceeds 1 per cent of the book value or market value of the pension fund, information with respect to each category of investments reported under clause (10) (a) that sets out,
 - (i) for insured contracts, the insurance company name and type of contract,
 - (ii) for mutual or pooled funds or segregated funds, the name of the operator of each fund, the name of each fund, the primary category of investments held in each fund and the market value of the investment in each fund,
 - (iii) for term deposits and guaranteed investment certificates, the name of the entity where the funds are on deposit and the aggregate market value or book or carrying value of the investments with each entity,
 - (iv) for real estate, the date of the last valuation of each parcel of real estate and the market value and book or carrying value of each parcel,
 - (v) for resource properties, the date of the last valuation of each parcel of resource property and the market value and book or carrying value of each parcel,
 - (vi) for real estate, resource property, venture capital or other special purpose corporation, the name and purpose of each corporation, percentage ownership and the market value of each investment,
 - (vii) for employer issued securities, including stocks and bonds, whether or not they are traded publicly,
 - (viii) for investments other than those referred to in subclauses (i) to (vii), the type of investment; and
- (c) the extent to which the assets of the pension fund are subject to options and future contracts. R.R.O. 1990, Reg. 909, s. 76 (13); O. Reg. 420/19, s. 5 (1).

(14) The statement of changes in net assets referred to in subsection (5) shall include a reconciliation between the market value of total investments at the beginning and end of the period and shall disclose at least,

- (a) unrealized gains or losses on total investments;
- (b) realized gains or losses on total investments;
- (c) investment income by category of investments;
- (d) revenue items in addition to those items referred to in clauses (a), (b) and (c), setting out the nature and amount of the item;
- (e) contributions from employers indicating the contributions for normal cost and special payments;
- (f) contributions from members;
- (g) audit costs, including fees and expenses;
- (h) administration fees, including amounts paid to and on behalf of the administrator;
- (i) professional fees, other than auditor's fees or administrator's fees;
- (j) administrative expenses other than those referred to in clauses (g), (h) and (i);
- (k) benefit payments; and
- (l) refunds and transfers, indicating their nature and amounts. R.R.O. 1990, Reg. 909, s. 76 (14); O. Reg. 250/18, s. 37.

(15) The auditor shall report to the administrator immediately when, in the course of reporting on the financial statements, he or she becomes aware that there are circumstances that indicate that there has or may have been a contravention of this Part. R.R.O. 1990, Reg. 909, s. 76 (15).

(16) The auditor shall report to the Chief Executive Officer any matter reported under subsection (15) that in the opinion of the auditor is significant and has not been corrected within thirty days after the date that the matter was first reported to the administrator. R.R.O. 1990, Reg. 909, s. 76 (16); O. Reg. 149/19, s. 1.

(17) A financial statement submitted for filing shall be approved by the administrator and the approval shall be evidenced by the manual or facsimile signature of,

- (a) the administrator;
- (b) where the administrator is a pension committee, board of trustees or a board, agency or commission acting as the administrator, two members duly authorized to signify the approval; or
- (c) where the administrator is an insurance company, an officer of the company duly authorized to sign on behalf of the insurance company. R.R.O. 1990, Reg. 909, s. 76 (17).

Investment information summary

77. (1) The administrator of a pension plan that provides defined benefits shall file an investment information summary in a form approved by the Chief Executive Officer within six months after the fiscal year end of the plan. O. Reg. 178/12, s. 56; O. Reg. 149/19, s. 1.

(1.1) REVOKED: O. Reg. 287/20, s. 16 (2).

(2) Subsection (1) does not apply if the pension plan is an individual pension plan or a designated plan. O. Reg. 178/12, s. 56.

Statement of investment policies and procedures

78. (1) The administrator of a pension plan shall establish a statement of investment policies and procedures for the plan that meets the requirements of the federal investment regulations as modified in sections 47.8 and 79 of this Regulation. O. Reg. 51/14, s. 1.

(2) The federal investment regulations, as modified in sections 47.8 and 79 of this Regulation, apply with respect to the statement of investment policies and procedures for the plan. O. Reg. 51/14, s. 1.

(3) The statement of investment policies and procedures shall include information as to whether environmental, social and governance factors are incorporated into the plan's investment policies and procedures and, if so, how those factors are incorporated. O. Reg. 235/14, s. 8.

(4) The administrator of a pension plan that is registered before January 1, 2016 shall file a statement of investment policies and procedures within 60 days after January 1, 2016. O. Reg. 235/14, s. 8.

(5) The administrator of a pension plan that is registered on or after January 1, 2016 shall file a statement of investment policies and procedures within 60 days after the pension plan is registered. O. Reg. 235/14, s. 8.

(5.1) REVOKED: O. Reg. 287/20, s. 17 (2).

(6) The administrator of a pension plan shall file an amendment to the statement of investment policies and procedures within 60 days after the date the amendment is made. O. Reg. 235/14, s. 8.

(6.1) REVOKED: O. Reg. 287/20, s. 17 (2).

(7) The statement of investment policies and procedures shall include the plan's target asset allocation for assets in respect of defined benefits for each investment category listed in subsection 76 (12). O. Reg. 250/18, s. 38; O. Reg. 105/19, s. 23 (1).

(7.1) Subsection (7) does not apply with respect to a jointly sponsored pension plan listed in subsection 1.3.1 (3). O. Reg. 105/19, s. 23 (2).

(8) The target asset allocation for an investment category is the target proportion of the plan's assets invested in a particular investment category in proportion to the total target investment in all investment categories, expressed as a percentage. O. Reg. 250/18, s. 38.

Exemption re statement of investment policies and procedures

78.1 Despite section 78, the administrator of a pension plan is not required to establish a statement of investment policies and procedures for the plan where all the pension benefits provided under the plan are defined contribution benefits and the investments are directed entirely by the members. O. Reg. 66/22, s. 6.

Investment of assets

79. (1) The assets of every pension plan shall be invested in accordance with the federal investment regulations, as modified in section 47.8 of this Regulation and subsection (2), and in accordance with the statement of investment policies and procedures for the plan. O. Reg. 235/14, s. 9.

(1.1) In the event of a conflict, the federal investment regulations, as modified in section 47.8 of this Regulation and subsection (2), prevail to the extent of the conflict over the statement of investment policies and procedures for the plan, the provisions of the plan or an instrument governing the plan. O. Reg. 235/14, s. 9.

(2) Despite subsection (1), investments in the following securities are excluded from the restriction set out in subsection 9 (1) of Schedule III of the federal investment regulations:

1. Securities issued by the Government of the United States of America. O. Reg. 51/14, s. 2.

TRANSITION**Transition**

80. (1) References in this Regulation to a form approved by the Chief Executive Officer are deemed to include the last form approved by the Superintendent for the purposes of the relevant provision prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force until the Chief Executive Officer approves a subsequent form for the purposes of the relevant provision. O. Reg. 149/19, s. 8.

(2) Any application, statement, report, certificate, election, notice, information or copy of a trust agreement provided to, submitted to or filed with the Superintendent under this Regulation, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to have been provided to, submitted to or filed with the Chief Executive Officer. O. Reg. 149/19, s. 8.

(3) Any determination relating to the allocation of funds from the Guarantee Fund to a pension plan made by the Superintendent under this Regulation, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to have been made by the Chief Executive Officer. O. Reg. 149/19, s. 8.

(4) Any information the Superintendent requires under this Regulation, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to be information the Chief Executive Officer requires. O. Reg. 149/19, s. 8.

(5) If the Superintendent causes a report to be prepared or causes work on a report to cease under this Regulation, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, the report is deemed to have been caused to be prepared or work on the report is deemed to have been caused to cease, as the case may be, by the Chief Executive Officer. O. Reg. 149/19, s. 8.

(6) For the purposes of this Regulation, an approval given by the Superintendent under the Act, or a deferral of the giving of approval by the Superintendent under the Act, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to have been given or deferred by the Chief Executive Officer. O. Reg. 149/19, s. 8.

(7) For the purposes of this Regulation, any notice or application provided to or filed with the Superintendent under the Act, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to have been provided to or filed with the Chief Executive Officer. O. Reg. 149/19, s. 8.

(8) For the purposes of this Regulation, any appointment, order, or dispensation of notice made or issued by the Superintendent under the Act, as it read prior to the day section 1 of Schedule 23 to the *Plan for Care and Opportunity Act (Budget Measures), 2018* came into force, is deemed to have been made or issued by the Chief Executive Officer. O. Reg. 149/19, s. 8.

Transition, solvency funding relief, interpretation

81. Terms used in sections 82 to 85 have the same meaning as in section 5.5.3, as it read immediately before its revocation. O. Reg. 533/21, s. 12.

Solvency funding relief options, former s. 5.6

82. (1) This section applies in respect of a pension plan that meets the following criteria:

1. In the first report of the pension plan filed by the administrator under section 13 or 14 for which the valuation date was on or after September 30, 2008 and before September 30, 2011, the administrator elected to use one or more of the options for solvency relief listed in subsection 5.6 (3), as it read immediately before its revocation.
2. Special payments in respect of the pension plan's new going concern unfunded liability, new solvency deficiency or consolidated prior solvency deficiency disclosed by the first report are scheduled for payment after August 31, 2021. O. Reg. 533/21, s. 12.

(2) Sections 1.2, 4, 4.1, 5, 5.1, 5.6, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, continue to apply to a pension plan described in subsection (1). O. Reg. 533/21, s. 12.

(3) Sections 1.2, 4, 4.1, 5, 5.1, 5.6, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, cease to apply in respect of a pension plan described in subsection (1) on the first day on which there are no special payments scheduled in respect of the pension plan's new going concern unfunded liability, new solvency deficiency or consolidated prior solvency deficiency, as the case may be. O. Reg. 533/21, s. 12.

Solvency funding relief options, former s. 5.6.1

83. (1) This section applies in respect of a pension plan that meets the following criteria:

1. In the first report of the pension plan filed by the administrator under section 13 or 14 for which the valuation date was on or after September 30, 2011 and before September 30, 2014, the administrator elected to use one or both of the options for solvency relief listed in subsection 5.6.1 (3), as it read immediately before its revocation.
2. Special payments in respect of the pension plan's consolidated prior solvency deficiency or new solvency deficiency disclosed by the first report are scheduled for payment after August 31, 2021. O. Reg. 533/21, s. 12.

(2) Sections 1.2, 4, 4.1, 5, 5.1, 5.6.1, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, continue to apply to a pension plan described in subsection (1). O. Reg. 533/21, s. 12.

(3) Sections 1.2, 4, 4.1, 5, 5.1, 5.6.1, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, cease to apply in respect of a pension plan described in subsection (1) on the first day on which there are no special payments scheduled in respect of the pension plan's consolidated prior solvency or new solvency deficiency, as the case may be. O. Reg. 533/21, s. 12.

Solvency funding relief options, former s. 5.6.2

84. (1) This section applies in respect of a pension plan that meets the following criteria:

1. In the first report of the pension plan filed by the administrator under section 13 or 14 for which the valuation date was on or after December 31, 2015 and before May 1, 2018, the administrator elected to use one or both of the options for solvency relief listed in subsection 5.6.2 (3), as it read immediately before its revocation.
2. Special payments in respect of the pension plan's consolidated prior solvency deficiency or new solvency deficiency disclosed by the first report are scheduled for payment after August 31, 2021. O. Reg. 533/21, s. 12.

(2) Sections 1.2, 4, 4.1, 5, 5.1, 5.6.2, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, continue to apply to a pension plan described in subsection (1). O. Reg. 533/21, s. 12.

(3) Sections 1.2, 4, 4.1, 5, 5.1, 5.6.2, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, cease to apply in respect of a pension plan described in subsection (1) on the first day on which there are no special payments scheduled in respect of the pension plan's consolidated prior solvency deficiency or new solvency deficiency, as the case may be. O. Reg. 533/21, s. 12.

Solvency funding relief options, former s. 5.6.3

85. (1) This section applies in respect of a pension plan that meets the following criteria:

1. In the first report of the pension plan filed by the administrator under section 13 or 14 for which the valuation date was on or after December 31, 2016 and before December 31, 2017, the administrator elected to use the option for solvency relief described in subsection 5.6.3 (3), as it read immediately before its revocation.
2. Special payments in respect of the pension plan's new solvency deficiency disclosed by the first report are scheduled for payment after August 31, 2021. O. Reg. 533/21, s. 12.

(2) Sections 1.2, 4, 5, 5.1, 5.6.3, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, continue to apply to a pension plan described in subsection (1). O. Reg. 533/21, s. 12.

(3) Sections 1.2, 4, 5, 5.1, 5.6.3, subsection 5.7 (7) and sections 6, 6.0.5 and 14, as they read immediately before September 1, 2021, cease to apply in respect of a pension plan described in subsection (1) on the first day on which there are no special payments scheduled in respect of the pension plan's new solvency deficiency. O. Reg. 533/21, s. 12.

PART III (SS. 86-89) REVOKED: O. REG. 185/13, S. 2.

SCHEDULE 1
LIFE INCOME FUNDS GOVERNED BY THIS SCHEDULE

ESTABLISHING THE FUND

1. (1) A life income fund that is governed by this Schedule cannot be purchased after December 31, 2008.

(2) After December 31, 2008, money cannot be transferred into a life income fund that is governed by this Schedule from a pension fund, a variable benefit account, another life income fund, a locked-in retirement account, a locked-in retirement income fund or a life annuity that meets the requirements of section 22 of this Regulation.
2. (1) A contract establishing a life income fund that is governed by this Schedule must provide for the matters described in this section.

(2) It must indicate the name and address of the financial institution providing the fund.

(3) It must describe the owner's powers, if any, respecting investment of the assets in the fund.

(4) It must state that the owner agrees not to assign, charge, anticipate or give as security money payable under the fund except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(5) It must describe the method for determining the value of the assets in the fund.

(6) It must indicate whether the commuted value of the pension benefit that was transferred into the fund was determined in a manner that differentiated on the basis of sex.
3. (1) Money in a life income fund that is governed by this Schedule cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 of this Regulation or this Schedule.

(2) Every contract establishing a life income fund that is governed by this Schedule shall be deemed to include a provision setting out the restriction described in subsection (1).

(3) Any transaction that contravenes subsection (1) is void.
4. The fiscal year of a life income fund that is governed by this Schedule must end on December 31 and must not exceed 12 months.

PERIODIC PAYMENTS OUT OF THE FUND

5. (1) Payments out of a life income fund that is governed by this Schedule must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which money was transferred into the fund directly or indirectly.

(2) Payments out of the fund must begin no later than the end of the second fiscal year of the fund.

(3) The owner must notify the financial institution of the amount to be paid out of the fund each year. If the owner does not do so, the minimum amount determined under section 6 shall be paid out of the fund that year.

- (4) The notice respecting the amount to be paid out of the fund must be given either at the beginning of the fiscal year of the fund or at another time agreed to by the financial institution.
- (5) The notice expires at the end of the fiscal year to which it relates.
- (6) REVOKED: O. Reg. 288/11, s. 6 (2).

6. (1) The amount of income paid during a fiscal year out of a life income fund that is governed by this Schedule must not exceed the greater of "A" and "B" where,

"A" is the amount of the investment earnings, including any unrealized capital gains or losses, of the fund in the previous fiscal year, and

"B" is the amount calculated using the formula,

$$C/F$$

in which,

"C" is the value of the assets in the fund at the beginning of the fiscal year, and

"F" is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

(2) The following interest rate assumptions are to be used to determine the amount "F" in the definition of "B" in subsection (1):

1. REVOKED: O. Reg. 416/07, s. 9 (12).
2. The interest rate for each of the first 15 fiscal years of the period referred to in the definition of "F" is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
3. For the sixteenth and each subsequent fiscal year of the period referred to in the definition of "F", the interest rate is 6 per cent.

(3) The amount of income paid out of the fund during a fiscal year must not be less than the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada).

(4) If the minimum amount specified by subsection (3) is greater than the maximum amount determined under subsection (1), the minimum amount must be paid out of the fund during the fiscal year.

(5) This section shall not be construed to prevent or limit a payment from the fund that is permitted under section 3, 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4 of this Schedule or under section 22.2 of this Regulation.

(6), (7) REVOKED: O. Reg. 239/09, s. 17 (3).

TRANSFERRING ASSETS FROM THE FUND

7. (1) The owner of a life income fund that is governed by this Schedule may transfer any or all of the assets in it,

- (a) to a life income fund that is governed by Schedule 1.1;
- (b) to a variable benefit account; or
- (c) to purchase an immediate life annuity that meets the requirements of section 22 of this Regulation;
- (d)-(f) REVOKED: O. Reg. 239/09, s. 18 (1).

(1.1) For the purposes of the life annuity referred to in clause (1) (c), a determination as to whether the owner has a spouse is to be made on the date the annuity is purchased.

(1.2) The value of the assets in the fund is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(1.2.1) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to the transfer of a lump sum that exceeds 50 per cent of the assets in the fund, determined as of the family law valuation date.

(1.2.2) Payments under a life annuity referred to in clause (1) (c) are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(1.2.3) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

(1.3) A life annuity referred to in clause (1) (c) shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the fund was determined in a manner that did not differentiate on the basis of sex.

(1.4) The financial institution shall not make a transfer described in subsection (1) except where,

- (a) the transfer is permitted under the Act and this Regulation; and
- (b) the transferee agrees to administer the amount transferred in accordance with the Act and this Regulation.

(1.5) The financial institution shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation.

(2) In the contract governing the fund, the financial institution must agree to make such a transfer within 30 days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

(3) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

WITHDRAWALS FROM THE FUND

8. (1) An application under section 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4 to withdraw money or transfer assets from a life income fund that is governed by this Schedule must be made on a form approved by the Chief Executive Officer and must be given to the financial institution that administers the fund.

(2) The contract governing a life income fund that is governed by this Schedule must include the following terms and, if it does not, the contract is deemed to include them:

1. The financial institution is entitled to rely upon the information provided by the owner in the application to withdraw money or transfer assets from the fund under section 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4, as the case may be.
2. An application that meets the requirements of the applicable section constitutes authorization to the financial institution to make the payment or transfer from the fund in accordance with that section.
3. The financial institution is required to make the payment or transfer to which the owner is entitled under the applicable section within 30 days after the financial institution receives the completed application and the accompanying documents required by that section.

9. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund or transfer the assets to an RRSP or RRIF if, when the owner signs the application,

- (a) he or she is at least 55 years of age; and
- (b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

(2), (3) REVOKED: O. Reg. 185/13, s. 3 (3).

(4) The application form must be signed by the owner and accompanied by,

- (a) a declaration described in section 11 about a spouse; or
- (b) a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(6) The contract governing the fund must include the following term and, if it does not, the contract is deemed to include it:

1. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this section is to be determined using the most recent statement about each fund or account given to the owner. Each such statement must be dated within one year before the owner signs the application.

9.1 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund,

- (a) if, when the owner signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
- (b) if the application is made at least 24 months after his or her date of departure from Canada.

(2), (3) REVOKED: O. Reg. 185/13, s. 3 (5).

(4) The application form must be signed by the owner and accompanied by the following documents:

- 1. A written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).
- 2. Either a declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 3 (5).

10. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if, when the owner signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

(2), (3) REVOKED: O. Reg. 185/13, s. 3 (6).

(4) The application form must be signed by the owner and be accompanied by the following documents:

- 1. A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
- 2. A declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 3 (6).

10.1 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

(2) Only one application may be made under this section during a calendar year in respect of a particular person.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“G” is the sum of the amount of the person’s medical expenses that have been incurred and an estimate of the total amount of the person’s medical expenses for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person’s treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
4. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, a person is a dependant if he or she was dependent on the owner or the owner’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

(8) For the purposes of this section, medical expenses include,

- (a) expenses for goods and services of a medical or dental nature; and
- (b) expenses incurred or to be incurred for renovations or alterations to the owner’s or the dependant’s principal residence (as defined in subsection 10.2 (7)) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the owner, his or her spouse or a dependant.

10.2 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund,

- (a) if the owner or his or her spouse has received a written demand in respect of arrears in the payment of rent on the owner’s principal residence, and the owner could face eviction if the debt remains unpaid; or
- (b) if the owner or his or her spouse has received a written demand in respect of a default on a debt that is secured against the owner’s principal residence, and the owner could face eviction if the amount in default remains unpaid.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “H” where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

“principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

10.3 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner or his or her spouse requires money to pay the first and last months’ rent to obtain a principal residence for the owner.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where,

“J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“K” is the amount required for the first and last months’ rent.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the rental agreement, if available.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

“principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

10.4 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is calculated using the formula,

$$X - L$$

in which,

“X” is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 11 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement, signed by the owner, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, an owner's expected total income from all sources, before taxes, does not include,

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent as compensation in respect of the provision of foster care within the meaning of the *Child, Youth and Family Services Act, 2017*; or
- (g) child support payments received under a court order or an agreement.

11. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4 from a life income fund that is governed by this Schedule:

- 1. A statement signed by the owner's spouse, if any, that the spouse consents to the withdrawal or transfer from the fund.
- 2. A statement signed by the owner attesting to the fact that he or she does not have a spouse.
- 3. A statement signed by the owner attesting to the fact that he or she is living separate and apart from his or her spouse on the date the owner signs the application to make the withdrawal or transfer from the fund.

12. (1) If the owner of a life income fund that is governed by this Schedule is required by section 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4 to give a document to a financial institution, the document is a nullity in the following circumstances:

- 1. If the document is one that must be signed by the owner or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the financial institution receives it.
- 2. In any other case, if the document is required by section 10.1, 10.2, 10.3 or 10.4, it is a nullity if it is signed or dated more than 12 months before the financial institution receives it.

(2) When the financial institution receives a document required by section 9, 9.1, 10, 10.1, 10.2, 10.3 or 10.4, the financial institution shall give the owner of the life income fund a receipt for the document stating the date on which it was received.

SURVIVOR'S BENEFITS

13. (1) Upon the death of the owner of a life income fund that is governed by this Schedule, the owner's spouse or, if there is none or if the spouse is otherwise disentitled, the owner's named beneficiary or, if there is none, the owner's estate is entitled to receive a benefit equal to the value of the assets in the fund.

(1.1) The benefit described in subsection (1) may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

(2) A spouse of the owner is not entitled to receive the value of the assets in the fund unless the owner was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the fund.

(3) A spouse living separate and apart from the owner on the date of the owner's death is not entitled to receive the value of the assets in the fund.

(4) For the purposes of subsection (1), a determination as to whether the owner has a spouse is to be made on the date of the owner's death.

(5) For the purposes of subsection (1), the value of the assets in the fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the fund from the date of death until the date of payment.

13.1 (1) A spouse of the owner of a life income fund that is governed by this Schedule may waive his or her entitlement to receive the survivor's benefit described in section 13 from the fund by delivering to the financial institution a written waiver in a form approved by the Chief Executive Officer.

(2) A spouse who has delivered a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date of the death of the owner of the fund.

AMENDING THE FUND

14. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution providing the fund must agree not to amend the contract except as provided in this section.

(2) The financial institution must give the owner of the fund at least 90 days notice of a proposed amendment, other than an amendment described in subsection (3).

(3) The financial institution must not amend the contract governing the fund if the amendment would result in a reduction in the owner's rights under the contract unless,

(a) the financial institution is required by law to make the amendment; and

(b) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made.

(4) When making an amendment described in subsection (3), the financial institution must notify the owner of the fund of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.

(5) Notices under this section must be in writing and must be sent to the owner's address as set out in the records of the financial institution.

INFORMATION TO BE PROVIDED BY THE FINANCIAL INSTITUTION

15. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution must agree to provide the information described in this section to the person indicated.

(2) At the beginning of each fiscal year, the following information must be provided to the owner:

1. With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the fund, the withdrawals taken out of the fund and the fees charged against the fund.
2. The value of the assets in the fund as of the beginning of the fiscal year.
3. The minimum amount that must be paid out of the fund to the owner during the current fiscal year.
4. The maximum amount that may be paid out of the fund to the owner during the current fiscal year.

(3) If the assets in the fund are transferred as described in subsection 7 (1), the owner must be given the information described in subsection (2) determined as of the date of the transfer.

(4) Upon the death of the owner, the person entitled to receive the assets in the fund must be given the information described in subsection (2) determined as of the date of the owner's death.

(5) REVOKED: O. Reg. 185/13, s. 3 (11).

O. Reg. 144/00, s. 32; O. Reg. 324/05, s. 20; O. Reg. 116/06, s. 21; O. Reg. 416/07, s. 9; O. Reg. 239/09, ss. 15-25; O. Reg. 288/11, s. 6; O. Reg. 185/13, s. 3; O. Reg. 180/18, s. 2; O. Reg. 149/19, s. 1; O. Reg. 369/19, s. 4.

SCHEDULE 1.1
LIFE INCOME FUNDS GOVERNED BY THIS SCHEDULE

ESTABLISHING THE FUND

1. (1) The following persons may purchase, in accordance with this section, a life income fund that is governed by this Schedule:

1. A former member or retired member who is entitled to make a transfer under clause 42 (1) (b) or subsection 42 (12) of the Act.
2. A spouse or former spouse of a person described in paragraph 1.
3. A retired member or specified beneficiary who is entitled to make a transfer under subsection 39.1 (4) of the Act.
4. A person who has previously transferred an amount under subsection 39.1 (4), clause 42 (1) (b) or subsection 42 (12) of the Act into a locked-in retirement account.
5. A person who has previously transferred an amount under paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act into a life income fund or a locked-in retirement account.
6. An eligible spouse who is entitled to transfer a lump sum under paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act.

(2) The fund must be purchased using all or part of the amount transferred under subsection 39.1 (4), clause 42 (1) (b), subsection 42 (12), paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act, or using all or part of the assets in a life income fund, a locked-in retirement account or a locked-in retirement income fund.

(3) The purchaser must have the written consent of his or her spouse in order to make the purchase, but,

- (a) the consent of a spouse who is living separate and apart from the purchaser on the date of purchase is not required;
 - (b) the consent of a spouse is not required if none of the money to be transferred into the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the purchaser; and
 - (c) the consent of a spouse is not required in respect of a transfer under subsection 39.1 (4) of the Act.
2. (1) A contract establishing a life income fund that is governed by this Schedule must provide for the matters described in this section.
- (2) It must indicate the name and address of the financial institution providing the fund.
 - (3) It must describe the owner's powers, if any, respecting investment of the assets in the fund.
 - (4) It must state that the owner agrees not to assign, charge, anticipate or give as security money payable under the fund except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract.
 - (5) It must describe the method for determining the value of the assets in the fund.
 - (6) It must indicate whether the commuted value of the pension benefit that was transferred into the fund was determined in a manner that differentiated on the basis of sex.
3. (1) Money in a life income fund that is governed by this Schedule cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 of this Regulation or this Schedule.
- (2) Every contract establishing a life income fund that is governed by this Schedule is deemed to include a provision setting out the restriction described in subsection (1).
 - (3) Any transaction that contravenes subsection (1) is void.
4. The fiscal year of a life income fund that is governed by this Schedule must end on December 31 and must not exceed 12 months.

PERIODIC PAYMENTS OUT OF THE FUND

5. (1) Payments out of a life income fund that is governed by this Schedule must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which money was transferred into the fund directly or indirectly.
- (1.1) Despite subsection (1), payments out of the fund must begin no earlier than the date on which the owner reaches 55 years of age, if none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
 - (2) Payments out of the fund must begin no later than the end of the second fiscal year of the fund.

(3) The owner must notify the financial institution of the amount to be paid out of the fund each year. If the owner does not do so, the minimum amount determined under section 6 must be paid out of the fund that year.

(4) The notice respecting the amount to be paid out of the fund must be given either at the beginning of the fiscal year of the fund or at another time agreed to by the financial institution.

(5) The notice expires at the end of the fiscal year to which it relates.

(6) REVOKED: O. Reg. 288/11, s. 7 (5).

6. (1) The amount of income paid during a fiscal year out of a life income fund that is governed by this Schedule must not exceed the greatest of the following amounts:

1. The investment earnings, including any unrealized capital gains or losses, of the fund in the previous fiscal year.
2. If the money in the fund (the "receiving fund") is derived from money transferred directly from another life income fund or a locked-in retirement income fund (the "transferring fund"), and if the income is being paid out of the receiving fund in the fiscal year following the fiscal year in which the receiving fund is established, the sum of,
 - i. the investment earnings, including any unrealized capital gains or losses, of the transferring fund in the previous fiscal year, and
 - ii. the investment earnings, including any unrealized capital gains or losses, of the receiving fund in the previous fiscal year.
3. The amount calculated using the formula,

$$C/F$$

in which,

"C" is the value of the assets in the fund at the beginning of the fiscal year, and

"F" is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

(2) The following interest rate assumptions are to be used to determine the amount "F" in subsection (1):

1. The interest rate for each of the first 15 fiscal years of the period referred to in the definition of "F" is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
2. For the sixteenth and each subsequent fiscal year of the period referred to in the definition of "F", the interest rate is 6 per cent.

(3) Despite subsection (1), if any money in the fund is derived from money transferred directly or indirectly from another life income fund or a locked-in retirement income fund, the maximum amount that may be paid out of the fund in the fiscal year in which the money is transferred into the fund is zero.

- (4) If the initial fiscal year of the fund is not 12 months long, the maximum amount determined under subsection (1) shall be adjusted in proportion to the number of months in that fiscal year divided by 12, with any part of an incomplete month counting as one month.
- (5) The amount of income paid out of the fund during a fiscal year must not be less than the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada).
- (6) If the minimum amount specified by subsection (5) is greater than the maximum amount determined under subsection (1), (3) or (4), the minimum amount must be paid out of the fund during the fiscal year.
- (7) This section shall not be construed to prevent or limit a payment from the fund that is permitted under section 3, 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 of this Schedule or under section 22.2 of this Regulation.

TRANSFERRING ASSETS FROM THE FUND

7. (1) The owner of a life income fund that is governed by this Schedule may transfer any or all of the assets in it to another life income fund that is governed by this Schedule, to a variable benefit account or to purchase an immediate life annuity that meets the requirements of section 22.
- (2) In the contract governing the fund, the financial institution must agree to make such a transfer within 30 days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.
- (3) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.
- (4) For the purposes of the purchase of an immediate life annuity referred to in subsection (1), a determination as to whether the owner has a spouse is to be made on the date the annuity is purchased.
- (5) The value of the assets in the fund is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.
- (5.1) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to the transfer of a lump sum that exceeds 50 per cent of the assets in the fund, determined as of the family law valuation date.
- (5.2) Payments under a life annuity referred to in subsection (1) are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.
- (5.3) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

(6) A life annuity referred to in subsection (1) shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the fund was determined in a manner that did not differentiate on the basis of sex.

(7) The financial institution shall not make a transfer described in subsection (1) except where,

- (a) the transfer is permitted under the Act and this Regulation; and
- (b) the transferee agrees to administer the amount transferred in accordance with the Act and this Regulation.

(8) The financial institution shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation.

WITHDRAWALS FROM THE FUND

7.1 (1) An application under section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 to withdraw money or transfer assets from a life income fund that is governed by this Schedule must be made on a form approved by the Chief Executive Officer and must be given to the financial institution that administers the fund.

(2) The contract governing a life income fund that is governed by this Schedule must include the following terms and, if it does not, the contract is deemed to include them:

1. The financial institution is entitled to rely upon the information provided by the owner in the application to withdraw money or transfer assets from the fund under section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4, as the case may be.
2. An application that meets the requirements of the applicable section constitutes authorization to the financial institution to make the payment or transfer from the fund in accordance with that section.
3. The financial institution is required to make the payment or transfer to which the owner is entitled under the applicable section within 30 days after the financial institution receives the completed application and the accompanying documents required by that section.

8. (1) This section applies if assets are transferred into a life income fund that is governed by this Schedule (the "receiving fund") from a pension fund, a locked-in retirement account, a locked-in retirement income fund or another life income fund.

(2) REVOKED: O. Reg. 185/13, s. 4 (3).

(2.1) The owner of the receiving fund may, upon application in accordance with this section, either withdraw from the fund or transfer from it to an RRSP or RRIF an amount representing up to 50 per cent of the total market value of the assets transferred into the fund in relation to a transfer of assets made on or after January 1, 2010.

(3) Despite subsection (2.1), if the assets are transferred into the receiving fund from a life income fund or a locked-in retirement income fund, the owner cannot make a withdrawal or transfer described in subsection (2.1) unless the transfer of assets into the receiving fund was made in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(3.1) Despite subsection (2.1), if the assets are transferred into the receiving fund from a variable benefit account, the owner cannot make a withdrawal or transfer described in subsection (2.1).

(4) An application for a withdrawal or transfer described in subsection (2.1) must be given to the financial institution that administers the receiving fund within 60 days after the assets are transferred into the fund.

(5) REVOKED: O. Reg. 185/13, s. 4 (6).

(6) The application form must be signed by the owner and accompanied by one of the following documents:

1. A declaration described in section 12 about a spouse.
2. A statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(7) If assets in the receiving fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(8) The contract governing the fund must include the following term and, if it does not, the contract is deemed to include it:

1. The total market value of the assets transferred into the fund is to be determined as of the date the assets were transferred into the fund.

8.1 REVOKED: O. Reg. 185/13, s. 4 (8).

9. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund or transfer the assets to an RRSP or RRIF if, when the owner signs the application,

- (a) he or she is at least 55 years of age; and
- (b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

(2), (3) REVOKED: O. Reg. 185/13, s. 4 (9).

(4) The application form must be signed by the owner and accompanied by one of the following documents:

1. A declaration described in section 12 about a spouse.
2. A statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(6) The contract governing the fund must include the following term and, if it does not, the contract is deemed to include it:

1. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this section is to be determined using the most recent statement about each fund or account given to the owner. Each such statement must be dated within one year before the owner signs the application.

10. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all the money in the fund,

(a) if, when the owner signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and

(b) if the application is made at least 24 months after his or her date of departure from Canada.

(2), (3) REVOKED: O. Reg. 185/13, s. 4 (11).

(4) The application form must be signed by the owner and accompanied by the following documents:

1. A written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).

2. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 4 (11).

11. (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if, when the owner signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

(2), (3) REVOKED: O. Reg. 185/13, s. 4 (12).

(4) The application form must be signed by the owner and be accompanied by the following documents:

1. A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

2. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 4 (12).

11.1 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

(2) Only one application may be made under this section during a calendar year in respect of a particular person.

- (3) The application must specify the amount to be withdrawn from the fund.
- (4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “G” where,
- “X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and
- “G” is the sum of the amount of the person’s medical expenses that have been incurred and an estimate of the total amount of the person’s medical expenses for the 12 months after the date on which the application is signed.
- (5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.
- (6) The application form must be signed by the owner and must be accompanied by the following documents:
1. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
 2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person’s treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
 3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
 4. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.
- (7) For the purposes of this section, a person is a dependant if he or she was dependent on the owner or the owner’s spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.
- (8) For the purposes of this section, medical expenses include,
- (a) expenses for goods and services of a medical or dental nature; and
 - (b) expenses incurred or to be incurred for renovations or alterations to the owner’s or the dependant’s principal residence (as defined in subsection 11.2 (7)) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the owner, his or her spouse or a dependant.
- 11.2 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund,
- (a) if the owner or his or her spouse has received a written demand in respect of arrears in the payment of rent on the owner’s principal residence, and the owner could face eviction if the debt remains unpaid; or
 - (b) if the owner or his or her spouse has received a written demand in respect of a default on a debt that is secured against the owner’s principal residence, and the owner could face eviction if the amount in default remains unpaid.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of “X” and “H” where,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“H” is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

“principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

11.3 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner or his or her spouse requires money to pay the first and last months’ rent to obtain a principal residence for the owner.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where,

“J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“K” is the amount required for the first and last months’ rent.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the rental agreement, if available.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

“principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

11.4 (1) The owner of a life income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is calculated using the formula,

$$X - L$$

in which,

“X” is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 12 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

2. A statement, signed by the owner, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, an owner's expected total income from all sources, before taxes, does not include,

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent as compensation in respect of the provision of foster care within the meaning of the *Child, Youth and Family Services Act, 2017*; or
- (g) child support payments received under a court order or an agreement.

12. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 from a life income fund that is governed by this Schedule:

1. A statement signed by the owner's spouse, if any, that the spouse consents to the withdrawal or transfer from the fund.
2. A statement signed by the owner attesting to the fact that he or she does not have a spouse.
3. A statement signed by the owner attesting to the fact that he or she is living separate and apart from his or her spouse on the date the owner signs the application to make the withdrawal or transfer from the fund.

13. (1) If the owner of a life income fund that is governed by this Schedule is required by section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4 to give a document to a financial institution, the document is a nullity in the following circumstances:

1. If the document is one that must be signed by the owner or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the financial institution receives it.
2. In any other case, if the document is required by section 11.1, 11.2, 11.3 or 11.4, it is a nullity if it is signed or dated more than 12 months before the financial institution receives it.

(2) When the financial institution receives a document required by section 8, 9, 10, 11, 11.1, 11.2, 11.3 or 11.4, the financial institution shall give the owner of the life income fund a receipt for the document stating the date on which it was received.

SURVIVOR'S BENEFITS

14. (1) Upon the death of the owner of a life income fund that is governed by this Schedule, the owner's spouse or, if there is none or if the spouse is otherwise disentitled, the owner's named beneficiary or, if there is none, the owner's estate is entitled to receive a benefit equal to the value of the assets in the fund.

- (2) The benefit described in subsection (1) may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).
- (3) A spouse of the owner is not entitled to receive the value of the assets in the fund unless the owner was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the fund.
- (4) A spouse who is living separate and apart from the owner on the date of the owner's death is not entitled to receive the value of the assets in the fund.
- (5) For the purposes of subsection (1), a determination as to whether the owner has a spouse is to be made on the date of the owner's death.
- (6) For the purposes of subsection (1), the value of the assets in the fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the fund from the date of death until the date of payment.
15. (1) A spouse of the owner of a life income fund that is governed by this Schedule may waive his or her entitlement to receive the survivor's benefit described in section 14 from the fund by delivering to the financial institution a written waiver in a form approved by the Chief Executive Officer.
- (2) A spouse who has delivered a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date of the death of the owner of the fund.

AMENDING THE FUND

16. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution providing the fund must agree not to amend the contract except as provided in this section.
- (2) The financial institution must give the owner of the fund at least 90 days notice of a proposed amendment, other than an amendment described in subsection (3).
- (3) The financial institution must not amend the contract governing the fund if the amendment would result in a reduction in the owner's rights under the contract unless,
- (a) the financial institution is required by law to make the amendment; and
 - (b) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made.
- (4) When making an amendment described in subsection (3), the financial institution must notify the owner of the fund of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.
- (5) Notices under this section must be in writing and must be sent to the owner's address as set out in the records of the financial institution.

INFORMATION TO BE PROVIDED BY THE FINANCIAL INSTITUTION

17. (1) In the contract governing a life income fund that is governed by this Schedule, the financial institution must agree to provide the information described in this section to the person indicated.

(2) At the beginning of each fiscal year, the following information must be provided to the owner:

1. With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the fund, the withdrawals taken out of the fund and the fees charged against the fund.
2. The value of the assets in the fund as of the beginning of the fiscal year.
3. The minimum amount that must be paid out of the fund to the owner during the current fiscal year.
4. The maximum amount that may be paid out of the fund to the owner during the current fiscal year.

(3) If the assets in the fund are transferred as described in subsection 7 (1), the owner must be given the information described in subsection (2) determined as of the date of the transfer.

(4) Upon the death of the owner, the person entitled to receive the assets in the fund must be given the information described in subsection (2) determined as of the date of the owner's death.

(5) REVOKED: O. Reg. 185/13, s. 4 (17).

O. Reg. 416/07, s. 10; O. Reg. 239/09, ss. 26-33; O. Reg. 288/11, s. 7; O. Reg. 185/13, s. 4; O. Reg. 49/17, s. 8; O. Reg. 180/18, s. 3; O. Reg. 149/19, s. 1; O. Reg. 369/19, s. 5.

SCHEDULE 2 LOCKED-IN RETIREMENT INCOME FUND REQUIREMENTS

ESTABLISHING THE FUND

1. (1) A locked-in retirement income fund cannot be purchased after December 31, 2008.

(2) After December 31, 2008, money cannot be transferred into a locked-in retirement income fund from a pension fund, another locked-in retirement income fund, a life income fund, a locked-in retirement account or a life annuity that meets the requirements of section 22 of this Regulation.

2. (1) A contract establishing a locked-in retirement income fund must provide for the matters described in this section.

(2) It must indicate the name and address of the financial institution providing the fund.

(3) It must describe the owner's powers, if any, respecting investment of the assets in the fund.

(4) It must state that the owner agrees not to assign, charge, anticipate or give as security money payable under the fund except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract.

- (5) It must describe the method for determining the value of the assets in the fund.
- (6) It must indicate whether the commuted value of the pension benefit that was transferred into the fund was determined in a manner that differentiated on the basis of sex.
3. (1) Money in a locked-in retirement income fund cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 of this Regulation or this Schedule.
- (2) Every contract establishing a locked-in retirement income fund shall be deemed to include a provision setting out the restriction described in subsection (1).
- (3) Any transaction that contravenes subsection (1) is void.
4. The fiscal year of a locked-in retirement income fund must end on December 31 and must not exceed 12 months.

PERIODIC PAYMENTS OUT OF THE FUND

5. (1) Payments out of the locked-in retirement income fund must begin no earlier than the earliest date on which the former member is entitled to receive a pension under any pension plan from which money was transferred into the fund directly or indirectly.
- (2) Payments out of the fund must begin no later than the end of the second fiscal year of the fund.
- (3) The owner must notify the financial institution of the amount to be paid out of the fund each year. If the owner does not do so, the minimum amount determined under section 6 shall be paid out of the fund that year.
- (4) The notice respecting the amount to be paid out of the fund must be given either at the beginning of the fiscal year of the fund or at another time agreed to by the financial institution.
- (5) The notice expires at the end of the fiscal year to which it relates.
- (6) REVOKED: O. Reg. 288/11, s. 8 (2).
6. (1) The amount of income paid during a fiscal year out of a locked-in retirement income fund that is governed by this Schedule must not exceed the greater of "A" and "B" where,
- "A" is the amount of the investment earnings, including any unrealized capital gains or losses, of the fund in the previous fiscal year, and
- "B" is the amount calculated using the formula,

C/F

in which,

“C” is the value of the assets in the fund at the beginning of the fiscal year, and

“F” is the present value, at the beginning of the fiscal year, of an annuity of \$1 payable annually in advance over the period commencing at the beginning of the fiscal year and ending on December 31 of the year in which the owner reaches 90 years of age.

(2) The following interest rate assumptions are to be used to determine the amount “F” in the definition of “B” in subsection (1):

1. The interest rate for each of the first 15 fiscal years of the period referred to in the definition of “F” is the greater of 6 per cent and the nominal rate of interest on long-term bonds issued by the Government of Canada for November of the year before the beginning of the fiscal year, as determined from the Canadian Socio-Economic Information Management System (CANSIM) series V122487 compiled by Statistics Canada and available on the website maintained by the Bank of Canada.
2. For the 16th and each subsequent fiscal year of the period referred to in the definition of “F”, the interest rate is 6 per cent.

(3) The amount of income paid out of the fund during a fiscal year must not be less than the minimum amount prescribed for an RRIF under the *Income Tax Act* (Canada).

(4) If the minimum amount specified by subsection (3) is greater than the maximum amount determined under subsection (1), the minimum amount must be paid out of the fund during the fiscal year.

(5) This section shall not be construed to prevent or limit a payment from the fund that is permitted under section 3, 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4 of this Schedule or under section 22.2 of this Regulation.

TRANSFERRING ASSETS FROM THE FUND

7. (1) The owner of a locked-in retirement income fund may transfer any or all of the assets in it,

- (a) to a life income fund that is governed by Schedule 1.1;
- (b) to a variable benefit account; or
- (c) to purchase an immediate life annuity that meets the requirements of section 22 of this Regulation;
- (d)-(f) REVOKED: O. Reg. 239/09, s. 37 (1).

(1.1) For the purposes of the life annuity referred to in clause (1) (c), a determination as to whether the owner has a spouse is to be made on the date the annuity is purchased.

(1.2) The value of the assets in the fund is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(1.3) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to the transfer of a lump sum that exceeds 50 per cent of the assets in the fund, determined as of the family law valuation date.

(1.4) Payments under a life annuity referred to in clause (1) (c) are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

- (1.5) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.
- (2) In the contract governing the fund, the financial institution must agree to make such a transfer within 30 days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.
- (3) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.
- (4) A life annuity referred to in subsection (1) shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the fund was determined in a manner that did not differentiate on the basis of sex.
- (5) The financial institution shall not make a transfer described in subsection (1) except where,
- (a) the transfer is permitted under the Act and this Regulation; and
 - (b) the transferee agrees to administer the amount transferred in accordance with the Act and this Regulation.
- (6) The financial institution shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation.

WITHDRAWALS FROM THE FUND

- 7.1 (1) An application under section 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4 to withdraw money or transfer assets from a locked-in retirement income fund that is governed by this Schedule must be made on a form approved by the Chief Executive Officer and must be given to the financial institution that administers the fund.
- (2) The contract governing a locked-in retirement income fund that is governed by this Schedule must include the following terms and, if it does not, the contract is deemed to include them:
1. The financial institution is entitled to rely upon the information provided by the owner in the application to withdraw money or transfer assets from the fund under section 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4, as the case may be.
 2. An application that meets the requirements of the applicable section constitutes authorization to the financial institution to make the payment or transfer from the fund in accordance with that section.
 3. The financial institution is required to make the payment or transfer to which the owner is entitled under the applicable section within 30 days after the financial institution receives the completed application and the accompanying documents required by that section.
8. (1) The owner of a locked-in retirement income fund may, upon application in accordance with this section, withdraw all the money in the fund or transfer the assets to an RRSP or RRIF if, when the owner signs the application,
- (a) he or she is at least 55 years of age; and

(b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

(2), (3) REVOKED: O. Reg. 185/13, s. 5 (3).

(4) The application form must be signed by the owner and accompanied by,

(a) a declaration described in section 10 about a spouse; or

(b) a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(6) The contract governing the fund must include the following term and, if it does not, the contract is deemed to include it:

1. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this section is to be determined using the most recent statement about each fund or account given to the owner. Each such statement must be dated within one year before the owner signs the application.

8.1 (1) The owner of a locked-in retirement income fund may, upon application in accordance with this section, withdraw all the money in the fund,

(a) if, when the owner signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and

(b) if the application is made at least 24 months after his or her date of departure from Canada.

(2), (3) REVOKED: O. Reg. 185/13, s. 5 (5).

(4) The application form must be signed by the owner and accompanied by the following documents:

1. A written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).

2. Either a declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 5 (5).

9. (1) The owner of a locked-in retirement income fund may, upon application in accordance with this section, withdraw all or part of the money in the fund if, when the owner signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

(2), (3) REVOKED: O. Reg. 185/13, s. 5 (6).

(4) The application form must be signed by the owner and accompanied by the following documents:

1. A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
2. A declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 5 (6).

9.1 (1) The owner of a locked-in retirement income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

(2) Only one application may be made under this section during a calendar year in respect of a particular person.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
4. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, a person is a dependant if he or she was dependent on the owner or the owner's spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

(8) For the purposes of this section, medical expenses include,

- (a) expenses for goods and services of a medical or dental nature; and
- (b) expenses incurred or to be incurred for renovations or alterations to the owner's or the dependant's principal residence (as defined in subsection 9.2 (7)) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the owner, his or her spouse or a dependant.

9.2 (1) The owner of a locked-in retirement income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund,

- (a) if the owner or his or her spouse has received a written demand in respect of arrears in the payment of rent on the owner's principal residence, and the owner could face eviction if the debt remains unpaid; or
- (b) if the owner or his or her spouse has received a written demand in respect of a default on a debt that is secured against the owner's principal residence, and the owner could face eviction if the amount in default remains unpaid.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of "X" and "H" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"H" is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

"principal residence" means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

9.3 (1) The owner of a locked-in retirement income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner or his or her spouse requires money to pay the first and last months' rent to obtain a principal residence for the owner.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is the lesser of "J" and "K" where,

"J" is 5 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"K" is the amount required for the first and last months' rent.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the rental agreement, if available.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

"principal residence" means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

9.4 (1) The owner of a locked-in retirement income fund that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the fund if the owner's expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is 66 2/3 per cent or less of the Year's Maximum Pensionable Earnings for the year in which the application is signed.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the fund.

(4) The minimum amount that may be withdrawn from the fund with respect to an application is \$500 and the maximum amount is calculated using the formula,

X – L

in which,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the owner’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the fund is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 10 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the fund is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement, signed by the owner, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, an owner’s expected total income from all sources, before taxes, does not include,

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent as compensation in respect of the provision of foster care within the meaning of the *Child, Youth and Family Services Act, 2017*; or
- (g) child support payments received under a court order or an agreement.

10. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4 from a locked-in retirement income fund:

1. A statement signed by the owner’s spouse, if any, that the spouse consents to the withdrawal or transfer from the fund.
2. A statement signed by the owner attesting to the fact that he or she does not have a spouse.
3. A statement signed by the owner attesting to the fact that he or she is living separate and apart from his or her spouse on the date the owner signs the application to make the withdrawal or transfer from the fund.

11. (1) If the owner of a locked-in retirement income fund that is governed by this Schedule is required by section 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4 to give a document to a financial institution, the document is a nullity in the following circumstances:

1. If the document is one that must be signed by the owner or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the financial institution receives it.
2. In any other case, if the document is required by section 9.1, 9.2, 9.3 or 9.4, it is a nullity if it is signed or dated more than 12 months before the financial institution receives it.

(2) When the financial institution receives a document required by section 8, 8.1, 9, 9.1, 9.2, 9.3 or 9.4, the financial institution shall give the owner of the locked-in retirement income fund a receipt for the document stating the date on which it was received.

SURVIVOR'S BENEFITS

12. (1) Upon the death of the owner of a locked-in retirement income fund, the owner's spouse or, if there is none or if the spouse is otherwise disentitled, the owner's named beneficiary or, if there is none, the owner's estate is entitled to receive a benefit equal to the value of the assets in the fund.

(1.1) The benefit described in subsection (1) may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

(2) A spouse of the owner is not entitled to receive the value of the assets in the fund unless the owner was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the fund.

(3) A spouse living separate and apart from the owner on the date of the owner's death is not entitled to receive the value of the assets in the fund.

(4) For the purposes of subsection (1), a determination as to whether the owner has a spouse is to be made on the date of the owner's death.

(5) For the purposes of subsection (1), the value of the assets in the fund includes all accumulated investment earnings, including any unrealized capital gains and losses, of the fund from the date of death until the date of payment.

12.1 (1) A spouse of the owner of a locked-in retirement income fund may waive his or her entitlement to receive the survivor's benefit described in section 12 from the fund by delivering to the financial institution a written waiver in a form approved by the Chief Executive Officer.

(2) A spouse who has delivered a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date of the death of the owner of the fund.

AMENDING THE FUND

13. (1) In the contract governing a locked-in retirement income fund, the financial institution providing the fund must agree not to amend the contract except as provided in this section.

(2) The financial institution must give the owner of the fund at least 90 days notice of a proposed amendment, other than an amendment described in subsection (3).

- (3) The financial institution must not amend the contract governing the fund if the amendment would result in a reduction in the owner's rights under the contract unless,
- (a) the financial institution is required by law to make the amendment; and
 - (b) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made.
- (4) When making an amendment described in subsection (3), the financial institution must notify the owner of the fund of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.
- (5) Notices under this section must be in writing and must be sent to the owner's address as set out in the records of the financial institution.

INFORMATION TO BE PROVIDED BY THE FINANCIAL INSTITUTION

14. (1) In the contract governing a locked-in retirement income fund, the financial institution must agree to provide the information described in this section to the person indicated.
- (2) At the beginning of each fiscal year, the following information must be provided to the owner:
- 1. With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the fund, the withdrawals taken out of the fund and the fees charged against the fund.
 - 2. The value of the assets in the fund as of the beginning of the fiscal year.
 - 3. The minimum amount that must be paid out of the fund to the owner during the current fiscal year.
 - 4. The maximum amount that may be paid out of the fund to the owner during the current fiscal year.
- (3) If the assets in the fund are transferred as described in subsection 7 (1), the owner must be given the information described in subsection (2) determined as of the date of the transfer.
- (4) Upon the death of the owner, the person entitled to receive the assets in the fund must be given the information described in subsection (2) determined as of the date of the owner's death.
- (5), (6) REVOKED: O. Reg. 185/13, s. 5 (11).

O. Reg. 144/00, s. 32; O. Reg. 324/05, s. 21; O. Reg. 416/07, s. 11; O. Reg. 239/09, ss. 34-44; O. Reg. 288/11, s. 8; O. Reg. 185/13, s. 5; O. Reg. 180/18, s. 4; O. Reg. 149/19, s. 1; O. Reg. 369/19, s. 6.

SCHEDULE 3 LOCKED-IN RETIREMENT ACCOUNT REQUIREMENTS ESTABLISHING THE ACCOUNT

1. (1) The following persons may purchase a locked-in retirement account in accordance with this section:

1. A former member or retired member who is entitled to make a transfer under clause 42 (1) (b) or subsection 42 (12) of the Act.
2. A spouse or former spouse of a person described in paragraph 1.
3. A retired member or specified beneficiary who is entitled to make a transfer under subsection 39.1 (4) of the Act.
4. A person who has previously transferred an amount under subsection 39.1 (4), clause 42 (1) (b) or subsection 42 (12) of the Act into a locked-in retirement account.
5. A person who has previously transferred an amount under paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act into a locked-in retirement account.
6. An eligible spouse who is entitled to transfer a lump sum under paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act.

(2) The account must be purchased using all or part of the amount transferred under subsection 39.1 (4), clause 42 (1) (b), subsection 42 (12), paragraph 2 of subsection 67.3 (2) or paragraph 2 of subsection 67.8 (2) of the Act, or using all or part of the assets in a locked-in retirement account.

(3) For the purposes of this Schedule, a locked-in retirement account includes a contract made before June 24, 1994 to establish an RRSP for the purposes of a transfer under clause 42 (1) (b) of the Act or subsection 42 (12) of the Act.

2. (1) A contract establishing a locked-in retirement account must provide for the matters described in this section.

(2) It must indicate the name and address of the financial institution providing the account.

(3) It must describe the owner's powers, if any, respecting investment of the assets in the account.

(4) It must state that the owner agrees not to assign, charge, anticipate or give as security money in the account except as required by an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(5) It must describe the method for determining the value of the assets in the account.

(6) It must indicate whether the commuted value of the pension benefit that was transferred into the account was determined in a manner that differentiated on the basis of sex.

3. (1) Money in a locked-in retirement account cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by section 49 or 67 of the Act, section 22.2 of this Regulation or this Schedule.

(2) Every contract establishing a locked-in retirement account shall be deemed to include a provision setting out the restriction described in subsection (1).

(3) Any transaction that contravenes subsection (1) is void.

4. The fiscal year of a locked-in retirement account must end on December 31 and must not exceed 12 months.

TRANSFERRING ASSETS FROM THE ACCOUNT

5. (1) The owner of a locked-in retirement account may transfer any or all of the assets in it,

(a) to a pension plan registered under the pension benefits legislation in any Canadian jurisdiction;

(a.1) to a pension plan provided by a government in Canada;

(b) to another locked-in retirement account;

(c) to a life income fund that is governed by Schedule 1.1; or

(d) to purchase an immediate or deferred life annuity that meets the requirements of section 22 of this Regulation.

(2) In the contract governing the account, the financial institution must agree to make such a transfer within 30 days after the owner requests it. This does not apply with respect to the transfer of assets held as securities whose term of investment extends beyond the 30-day period.

(3) If assets in the account consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(3.1) The value of the assets in the account is subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(3.2) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to the transfer of a lump sum that exceeds 50 per cent of the assets in the account, determined as of the family law valuation date.

(4) For the purposes of the purchase of an immediate life annuity referred to in clause (1) (d), a determination as to whether the owner has a spouse is to be made on the date the annuity is purchased.

(5) Payments under a life annuity referred to in clause (1) (d) are subject to division in accordance with the terms of an order under the *Family Law Act*, a family arbitration award or a domestic contract.

(5.1) An order under Part I (Family Property) of the *Family Law Act*, a family arbitration award or a domestic contract is not effective to the extent that it purports to entitle a spouse or former spouse of the owner to a share that exceeds 50 per cent of the payments under the life annuity, determined as of the family law valuation date.

(6) A life annuity referred to in clause (1) (d) shall not differentiate on the basis of the sex of the beneficiary if the commuted value of the pension benefit that was transferred into the account was determined in a manner that did not differentiate on the basis of sex.

(7) Payments under a life annuity referred to in clause (1) (d) must not begin before the earlier of,

(a) the earliest date on which the owner of the annuity would have been entitled as a former member to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan, from which money was transferred directly or indirectly into the locked-in retirement account; or

(b) the earliest date on which the owner of the annuity would have been entitled as a former member to receive pension benefits under any pension plan described in clause (a) as a result of termination of employment or termination of membership in the plan.

(7.1) Despite subsection (7), payments under the life annuity must begin no earlier than the date on which the owner reaches 55 years of age, if none of the money in the account used to purchase the annuity is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(8) The financial institution shall not make a transfer described in subsection (1) except where,

(a) the transfer is permitted under the Act and this Regulation; and

(b) the transferee agrees to administer the amount transferred in accordance with the Act and this Regulation.

(9) The financial institution shall advise the transferee in writing that the amount transferred must be administered in accordance with the Act and this Regulation.

WITHDRAWALS FROM THE ACCOUNT

5.1 (1) An application under section 6, 7, 8, 8.1, 8.2, 8.3 or 8.4 to withdraw money or transfer assets from a locked-in retirement account that is governed by this Schedule must be made on a form approved by the Chief Executive Officer and must be given to the financial institution that administers the fund.

(2) The contract governing a locked-in retirement account that is governed by this Schedule must include the following terms and, if it does not, the contract is deemed to include them:

1. The financial institution is entitled to rely upon the information provided by the owner in the application to withdraw money or transfer assets from the account under section 6, 7, 8, 8.1, 8.2, 8.3 or 8.4, as the case may be.
2. An application that meets the requirements of the applicable section constitutes authorization to the financial institution to make the payment or transfer from the account in accordance with that section.
3. The financial institution is required to make the payment or transfer to which the owner is entitled under the applicable section within 30 days after the financial institution receives the completed application and the accompanying documents required by that section.

6. (1) The owner of a locked-in retirement account may, upon application in accordance with this section, withdraw all the money in the account or transfer the assets to an RRSP or RRIF if, when the owner signs the application,

(a) he or she is at least 55 years of age; and

(b) the value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by him or her is less than 40 per cent of the Year's Maximum Pensionable Earnings for that calendar year.

(2), (3) REVOKED: O. Reg. 185/13, s. 6 (2).

(4) The application form must be signed by the owner and accompanied by one of the following documents:

1. A declaration described in section 9 about a spouse.
 2. A statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
- (5) If assets in the account consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.
- (6) The contract governing the account must include the following term and, if it does not, the contract is deemed to include it:
1. The value of all assets in all life income funds, locked-in retirement income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this section is to be determined using the most recent statement about each fund or account given to the owner. Each such statement must be dated within one year before the owner signs the application.
7. (1) The owner of a locked-in retirement account may, upon application in accordance with this section, withdraw all the money in the account,
- (a) if, when the owner signs the application, he or she is a non-resident of Canada as determined by the Canada Revenue Agency for the purposes of the *Income Tax Act* (Canada); and
 - (b) if the application is made at least 24 months after his or her date of departure from Canada.
- (2), (3) REVOKED: O. Reg. 185/13, s. 6 (4).
- (4) The application form must be signed by the owner and accompanied by the following documents:
1. A written determination from the Canada Revenue Agency that the person is a non-resident for the purposes of the *Income Tax Act* (Canada).
 2. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
- (5) REVOKED: O. Reg. 185/13, s. 6 (4)
8. (1) The owner of a locked-in retirement account may, upon application in accordance with this section, withdraw all or part of the money in the account if, when the owner signs the application, he or she has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.
- (2), (3) REVOKED: O. Reg. 185/13, s. 6 (5).
- (4) The application form must be signed by the owner and be accompanied by the following documents:
1. A statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has an illness or physical disability that is likely to shorten his or her life expectancy to less than two years.

2. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.

(5) REVOKED: O. Reg. 185/13, s. 6 (5).

8.1 (1) The owner of a locked-in retirement account that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the account if the owner, his or her spouse, or a dependant has incurred or will incur medical expenses relating to an illness or physical disability of any of them.

(2) Only one application may be made under this section during a calendar year in respect of a particular person.

(3) The application must specify the amount to be withdrawn from the account.

(4) The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of "X" and "G" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"G" is the sum of the amount of the person's medical expenses that have been incurred and an estimate of the total amount of the person's medical expenses for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the account is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement signed by a physician or dentist, as applicable, indicating that, in his or her opinion, the expenses claimed are or were necessary for the person's treatment. The physician or dentist must be licensed to practise medicine or dentistry, as the case may be, in a jurisdiction in Canada.
3. A copy of the receipts or the estimate to account for the total amount of the medical expenses being claimed.
4. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, a person is a dependant if he or she was dependent on the owner or the owner's spouse for support at some time during the calendar year in which the application is signed or during the previous calendar year.

(8) For the purposes of this section, medical expenses include,

- (a) expenses for goods and services of a medical or dental nature; and

(b) expenses incurred or to be incurred for renovations or alterations to the owner's or the dependant's principal residence (as defined in subsection 8.2 (7)) and any additional expenses incurred in the construction of a principal residence made necessary by the illness or physical disability of the owner, his or her spouse or a dependant.

8.2 (1) The owner of a locked-in retirement account that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the account,

(a) if the owner or his or her spouse has received a written demand in respect of arrears in the payment of rent on the owner's principal residence, and the owner could face eviction if the debt remains unpaid; or

(b) if the owner or his or her spouse has received a written demand in respect of a default on a debt that is secured against the owner's principal residence, and the owner could face eviction if the amount in default remains unpaid.

(2) Only one application may be made under this section during a calendar year.

(3) The application must specify the amount to be withdrawn from the account.

(4) The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of "X" and "H" where,

"X" is 50 per cent of the Year's Maximum Pensionable Earnings for the year in which the application is signed, and

"H" is, with respect to arrears in the payment of rent, the sum of the total amount of arrears of rent and the total amount of rent payable for a period of 12 months or, with respect to a default on a secured debt, the sum of the total amount of the payments that are in default and the total amount of payments due and interest payable on the debt for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the account is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A copy of the written demand in respect of arrears in the payment of rent or in respect of the default on the secured debt, as the case may be.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

"principal residence" means, in respect of an individual, a premises, including a non-seasonal mobile home, that is occupied by the individual as his or her primary place of residence.

8.3 (1) The owner of a locked-in retirement account that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the account if the owner or his or her spouse requires money to pay the first and last months' rent to obtain a principal residence for the owner.

- (2) Only one application may be made under this section during a calendar year.
- (3) The application must specify the amount to be withdrawn from the account.
- (4) The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is the lesser of “J” and “K” where,
- “J” is 5 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and
- “K” is the amount required for the first and last months’ rent.
- (5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the account is permitted with respect to the application.
- (6) The application form must be signed by the owner and must be accompanied by the following documents:
1. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
 2. A copy of the rental agreement, if available.
 3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) In this section,

“principal residence” means, in respect of an individual, a premises, including a non-seasonal mobile home, that is intended to be occupied by the individual as his or her primary place of residence.

8.4 (1) The owner of a locked-in retirement account that is governed by this Schedule may, upon application in accordance with this section, withdraw all or part of the money in the account if the owner’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed is $66 \frac{2}{3}$ per cent or less of the Year’s Maximum Pensionable Earnings for the year in which the application is signed.

- (2) Only one application may be made under this section during a calendar year.
- (3) The application must specify the amount to be withdrawn from the account.
- (4) The minimum amount that may be withdrawn from the account with respect to an application is \$500 and the maximum amount is calculated using the formula,

X – L

in which,

“X” is 50 per cent of the Year’s Maximum Pensionable Earnings for the year in which the application is signed, and

“L” is 75 per cent of the owner’s expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.

(5) If the maximum amount calculated under subsection (4) is less than \$500, no withdrawal from the account is permitted with respect to the application.

(6) The application form must be signed by the owner and must be accompanied by the following documents:

1. Either a declaration described in section 9 about a spouse or a statement signed by the owner attesting to the fact that none of the money in the account is derived, directly or indirectly, from a pension benefit provided in respect of any employment of the owner.
2. A statement, signed by the owner, setting out the amount of his or her expected total income from all sources, before taxes, for the 12 months after the date on which the application is signed.
3. A statement, signed by the owner, that he or she understands that any money released under this section will not be exempt under section 66 of the Act from execution, seizure or attachment.

(7) For the purposes of this section, an owner’s expected total income from all sources, before taxes, does not include,

- (a) a withdrawal under this section;
- (b) a refund or repayment of taxes paid to a Canadian jurisdiction;
- (c) a refundable tax credit;
- (d) a refund of tax paid under the Ontario Child Care Supplement for Working Families program under section 8.5 of the *Income Tax Act*;
- (e) the payment of an Ontario child benefit under section 8.6.2 of the *Income Tax Act* or under section 104 of the *Taxation Act, 2007*;
- (f) a payment received by a foster parent as compensation in respect of the provision of foster care within the meaning of the *Child, Youth and Family Services Act, 2017*; or
- (g) child support payments received under a court order or an agreement.

9. Any of the following documents constitutes a declaration about a spouse for the purposes of a withdrawal or transfer under section 6, 7, 8, 8.1, 8.2, 8.3 or 8.4 from a locked-in retirement account:

1. A statement signed by the owner’s spouse, if any, that the spouse consents to the withdrawal or transfer from the account.
2. A statement signed by the owner attesting to the fact that he or she does not have a spouse.
3. A statement signed by the owner attesting to the fact that he or she is living separate and apart from his or her spouse on the date the owner signs the application to make the withdrawal or transfer from the account.

10. (1) If the owner of a locked-in retirement account that is governed by this Schedule is required by section 6, 7, 8, 8.1, 8.2, 8.3 or 8.4 to give a document to a financial institution, the document is a nullity in the following circumstances:

1. If the document is one that must be signed by the owner or by his or her spouse, it is a nullity if it is signed by either of them more than 60 days before the financial institution receives it.

2. In any other case, if the document is required by section 8.1, 8.2, 8.3 or 8.4, it is a nullity if it is signed or dated more than 12 months before the financial institution receives it.

(2) When the financial institution receives a document required by section 6, 7, 8, 8.1, 8.2, 8.3 or 8.4, the financial institution shall give the owner of the account a receipt for the document stating the date on which it was received.

SURVIVOR'S BENEFITS

11. (1) Upon the death of the owner of a locked-in retirement account, the owner's spouse or, if there is none or if the spouse is otherwise disentitled, the owner's named beneficiary or, if there is none, the owner's estate is entitled to receive a benefit equal to the value of the assets in the account.

(2) The benefit described in subsection (1) may be transferred to an RRSP or an RRIF in accordance with the *Income Tax Act* (Canada).

(3) A spouse of the owner is not entitled to receive the value of the assets in the account unless the owner was a member or former member of a pension plan from which assets were transferred directly or indirectly to purchase the account.

(4) A spouse who is living separate and apart from the owner on the date of the owner's death is not entitled to receive the value of the assets in the account.

(5) For the purposes of subsection (1), a determination as to whether the owner has a spouse is to be made on the date of the owner's death.

(6) For the purposes of subsection (1), the value of the assets in the account includes all accumulated investment earnings, including any unrealized capital gains and losses, of the account from the date of death until the date of payment.

12. (1) A spouse of the owner of a locked-in retirement account may waive his or her entitlement to receive the survivor's benefit described in section 11 from the account by delivering to the financial institution a written waiver in a form approved by the Chief Executive Officer.

(2) A spouse who has delivered a waiver under subsection (1) may cancel it by delivering a written and signed notice of cancellation to the financial institution before the date of the death of the owner of the account.

AMENDING THE ACCOUNT

13. (1) In the contract governing a locked-in retirement account, the financial institution providing the account must agree not to amend the contract except as provided in this section.

(2) The financial institution must give the owner of the account at least 90 days notice of a proposed amendment, other than an amendment described in subsection (3).

(3) The financial institution must not amend the contract governing the account if the amendment would result in a reduction in the owner's rights under the contract unless,

(a) the financial institution is required by law to make the amendment; and

- (b) the owner is entitled to transfer the assets in the account under the terms of the contract that exist before the amendment is made.
- (4) When making an amendment described in subsection (3), the financial institution must notify the owner of the account of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the account.
- (5) Notices under this section must be in writing and must be sent to the owner's address as set out in the records of the financial institution.

INFORMATION TO BE PROVIDED BY THE FINANCIAL INSTITUTION

14. (1) In the contract governing a locked-in retirement account, the financial institution must agree to provide the information described in this section to the person indicated.
- (2) At the beginning of each fiscal year, the following information must be provided to the owner:
1. With respect to the previous fiscal year: the sums deposited, any accumulated investment earnings, including any unrealized capital gains or losses, the payments made out of the account, the withdrawals taken out of the account and the fees charged against the account.
 2. The value of the assets in the account as of the beginning of the fiscal year.
- (3) If the assets in the account are transferred as described in subsection 5 (1), the owner must be given the information described in subsection (2) determined as of the date of the transfer.
- (4) Upon the death of the owner, the person entitled to receive the assets in the account must be given the information described in subsection (2) determined as of the date of the owner's death.

O. Reg. 239/09, s. 45; O. Reg. 288/11, s. 9; O. Reg. 185/13, s. 6; O. Reg. 49/17, s. 9; O. Reg. 180/18, s. 5; O. Reg. 149/19, s. 1; O. Reg. 369/19, s. 7, 8.

SCHEDULE 4 LETTERS OF CREDIT

LETTER OF CREDIT

1. (1) A letter of credit provided under section 55.2 of the Act must be an irrevocable and unconditional standby letter of credit made in accordance with the rules set out in *International Standby Practices* ISP98, International Chamber of Commerce Publication No. 590.
- (2) It must be made payable to the trustee of the pension fund, in trust for the pension fund.
- (3) It must be payable in Canadian currency.
- (4) It must make the issuer contractually liable to pay out money under its terms if payment is demanded under it by the trustee of the pension fund.
- (5) It must be subject to a trust agreement described in section 4 of this Schedule between the issuer, the administrator of the pension plan and the trustee.

ISSUER

2. (1) The issuer of a letter of credit must be a member of the Canadian Payments Association and must be a bank as defined in section 2 of the *Bank Act* (Canada), a credit union as defined in section 1 of the *Credit Unions and Caisses Populaires Act, 2020*, a credit union or caisse populaire incorporated under the laws of any other province of Canada or a cooperative credit society to which the *Cooperative Credit Associations Act* (Canada) applies.

(2) The issuer of a letter of credit to be held in trust for a pension fund cannot be the employer or an affiliate of the employer within the meaning of the *Business Corporations Act*.

(3) When the letter of credit is issued or renewed, the issuer must have a credit rating, given by a credit rating agency, that is at least equal to one of the following ratings:

1. A, from Dominion Bond Rating Service Limited.
2. A, from Fitch Ratings.
3. A2, from Moody's Investors Service.
4. A, from Standard & Poor's Ratings Services.

TERMS

3. The letter of credit must provide for the following matters:

1. Effective date: The date on which the letter of credit becomes effective must be specified. That date must not be later than,
 - i. the date on which the first instalment of the special payments to which the letter of credit relates is due, if the letter of credit relates to special payments described in clause 5 (1.0.0.1) (f) of the Regulation, or
 - ii. the date a payment required by subsection 12 (2) of the Regulation is due, if the letter of credit relates to such a payment.
2. Expiry date: The date on which the letter of credit expires must be specified, and it cannot be later than the first anniversary of the date on which the letter of credit takes effect.
3. Demand for payment: When the trustee for the pension fund demands payment under the letter of credit, the issuer is required to promptly pay the face amount of the letter of credit without further inquiry.
4. Assignment: The letter of credit cannot be assigned except by the issuer to another issuer.
5. Effect of assignment: If the issuer assigns the letter of credit without the consent of the employer, the issuer who assigned it remains obligated to pay, on demand, an amount demanded under the letter of credit by the trustee of the pension fund.
6. Amendment: The letter of credit cannot be amended except as follows:
 - i. To reflect a change in the name of the pension plan, the name of the employer or the name of the administrator.
 - ii. To reflect a change in the trustee of the pension fund.

- iii. To reflect the assignment of the letter of credit to another issuer.
 - iv. To decrease the amount of the letter of credit in the circumstances permitted under this Regulation.
 - v. To increase the amount of the letter of credit when it is renewed.
7. Notice of amendment: The issuer is required to give written notice of any amendment to the employer within five days after the amendment is made.
 8. Effect of change in issuer's status: If the issuer of the letter of credit ceases to satisfy any of the requirements set out in section 2 of this Schedule while the letter of credit is in effect, the issuer remains obligated to pay, on demand, an amount demanded under the letter of credit by the trustee of the pension fund.
 9. Effect of employer's insolvency, etc.: It must provide that the insolvency, liquidation or bankruptcy of the employer has no effect on the rights or obligations of the issuer or the rights or obligations of the trustee of the pension fund.
 10. Notice of non-renewal: It must provide that, if the issuer does not intend to renew the letter of credit, the issuer is required to notify the trustee and the employer at least 60 days before the letter of credit expires.

TRUST AGREEMENT

4. (1) The trust agreement to which a letter of credit is subject must provide for the following matters:
 1. The trustee of the pension fund holds the letter of credit in trust for the pension fund.
 2. The trustee is required to demand payment of the amount of the letter of credit if the administrator notifies the trustee that the letter of credit does not satisfy the requirements of the Act and regulations or the requirements of the *Income Tax Act* (Canada).
 3. The trustee is required to demand payment of the amount of the letter of credit if the administrator or the employer notifies the trustee that the employer intends to wind up the pension plan under subsection 68 (1) of the Act or that the Chief Executive Officer has issued an order under subsection 69 (1) of the Act requiring the wind up of the pension plan.
 4. The trustee is required to demand payment of the amount of the letter of credit if the administrator or the employer notifies the trustee that the employer is subject to bankruptcy proceedings under the *Bankruptcy and Insolvency Act* (Canada) or if an application or petition has been filed under the *Winding-up and Restructuring Act* (Canada) by or against the employer.
 5. If the trustee receives notice from a person or entity other than the administrator or the employer that a circumstance described in paragraph 3 or 4 exists, the trustee is required to notify the administrator, the employer and the Chief Executive Officer. Thirty-one days after giving this notice, the trustee is required to demand payment of the amount of the letter of credit unless the administrator has notified the trustee that the circumstance does not exist.
 6. Fourteen days before the letter of credit expires, the trustee is required to demand payment of the amount of the letter of credit unless one or more of the following events has occurred:
 - i. The employer has paid into the pension fund an amount equal to the amount of the letter of credit.
 - ii. The letter of credit has been renewed, in an amount at least equal to the original letter of credit, and the trustee has received notice of the renewal.

iii. The letter of credit is being replaced, in an amount at least equal to the original letter of credit, and the trustee has received the replacement letter of credit.

iv. The administrator has notified the trustee that the amount of the letter of credit is reduced and the trustee has received the following documents:

A. Either a replacement letter of credit in the reduced amount or notice of the renewal of the current letter of credit in the reduced amount.

B. Either notice that the employer has paid into the pension fund the amount by which the letter of credit is reduced or notice that no such payment is required because the requirement described in subsection (2) or (2.1) is satisfied.

7. If the trustee demands payment of the amount of the letter of credit, the trustee is required to promptly notify the administrator, the employer and the Chief Executive Officer.

8. If the issuer does not pay the amount of the letter of credit after the trustee demands payment, the trustee is required to promptly notify the administrator, the employer and the Chief Executive Officer.

9. The administrator is required to give a copy of the trust agreement to the employer and the Chief Executive Officer within 10 days after it is entered into or is amended, as the case may be.

(2) If the amount of the letter of credit is reduced, the employer is not required make the payment referred to in sub-subparagraph 6 iv B of subsection (1) into the pension fund if, as of the date of the most recent report filed or submitted under section 3, 4, 13 or 14 of the Regulation, "A" minus "B" is less than or equal to "C" where,

"A" is the sum of the solvency liabilities and the solvency liability adjustment,

"B" is the sum of the solvency assets and the amount, which may be positive or negative, by which the value of the solvency assets is adjusted as a result of applying an averaging method that stabilizes short-term fluctuations in the market value of the plan assets, calculated over a period of not more than five years, and

"C" is the present value of the total amount of all letters of credit held in trust for the pension fund, after the reduction in the amount of the letter of credit.

(2.1) If the amount of the letter of credit is reduced, the employer is not required to make the payment referred to in sub-subparagraph 6 iv B of subsection (1) into the pension fund if, as of the date of the most recent report with a valuation date on or after December 31, 2017 that is filed or submitted on or after May 1, 2018 under section 3, 4, 13 or 14, "A" minus "B" is less than or equal to "C" where,

"A" is 85 per cent of the sum of the solvency liabilities and the solvency liability adjustment,

"B" is the sum of the solvency assets and the amount, which may be positive or negative, by which the value of the solvency assets is adjusted as a result of applying an averaging method that stabilizes short-term fluctuations in the market value of the plan assets, calculated over a period of not more than five years, and

"C" is the present value of the total amount of all letters of credit held in trust for the pension fund, after the reduction in the amount of the letter of credit.

(3) The present value of the total amount of all letters of credit held in trust for the pension fund must be determined, for the purposes of the definition of "C" in subsection (2) or (2.1), using the same interest rates as those used to determine the amount of the solvency deficiency or reduced solvency deficiency set out in the report referred to in the applicable subsection.

O. Reg. 364/12, s. 6; O. Reg. 119/14, s. 3; O. Reg. 250/18, s. 39; O. Reg. 105/19, s. 24; O. Reg. 149/19, s. 1; O. Reg. 126/22, s. 1.

FORMS 1-3 REVOKED: O. REG. 144/00, S. 33.

FORM 4 REVOKED: O. REG. 386/04, S. 11.

Français