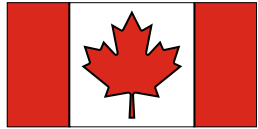


# COVID-19: Pensions Regulatory Updates Across Canada



## Federal

- Office of the Superintendent of Financial Institutions
  - DB freeze on portability transfers and annuity purchases
  - Certain automatic deadline extensions
  - Electronic filing<sup>1</sup>
- Department of Finance
  - Voluntary solvency payment moratorium
- Canada Revenue Agency (applicable to plans in all jurisdictions)
  - Waiver of 1% minimum employer contribution to a DC plan<sup>2</sup>
  - Extended deadline for members to elect to have eligible periods of reduced pay that ended in 2019 credited as pensionable service<sup>3</sup>
  - Reduced minimum withdrawal amounts for RRIFs, PRPPs and DC variable benefits
- Other Federal Initiatives
  - Canada Emergency Response Benefit and Canada Emergency Student Benefit<sup>4</sup>
  - Canada Emergency Wage Subsidy and Small Business Employee Subsidy
  - COVID-19 leave of absence

See our April 2020 Blakes Bulletins and Podcast

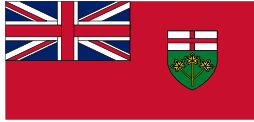
[Update: Considerations for Pensions and Benefits During COVID-19](#)

[Alert: OSFI Updates FAQs for Federally Regulated Private Pension Plans](#)

[FAQs: Canadian Pension Plans and COVID-19](#)

[Blakes Continuity Podcast COVID-19: The Regulatory Impact on Pensions](#)





## Ontario

- Until further notice and subject to FSRA's ability to act upon the facts of any particular case, FSRA will not order wind-up solely because a DC plan has, as a result of COVID-19, been amended to temporarily suspend contributions<sup>5</sup>
- Certain deadline extensions upon request
- AMPs may not be levied for delayed member communications (but must advise FSRA)
- Reminder of existing CV transfer rules
- Suspension of statutory time periods for FST
- Deferred fee assessments
- Infectious disease emergency leave of absence

See our March 2020 Blakes Bulletin  
[Considerations for Pensions and Benefits During COVID-19;](#)

April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19,](#)

[FAQs: Canadian Pension Plans and COVID-19 and](#)

[Alert: FSRA Releases Pension Sector Emergency Management Response](#)

and April 2020 Blakes Continuity Podcast  
[COVID-19: The Regulatory Impact on Pensions](#)



## Quebec

- Certain automatic deadline extensions
- Update to degree of solvency that must be taken into account for certain payments out of a DB plan

See our April 2020 Blakes Bulletin  
[Quebec Announces Temporary Relief Measures for Supplemental Pension Plans During COVID-19](#)

and April 2020 Blakes Continuity Podcast  
[COVID-19: The Regulatory Impact on Pensions](#)



## British Columbia

- May suspend contributions to a DC plan with application to Superintendent<sup>6</sup>
- Possible extensions on amortization period and/or contribution rate remittance deadlines<sup>7</sup>
- Reminder of existing restrictions on certain asset transfers, including CV transfers<sup>8</sup>
- Certain automatic deadline extensions
- COVID-19 leave of absence

See our April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

and April 2020 Blakes Continuity Podcast  
[COVID-19: The Regulatory Impact on Pensions](#)



## Alberta

- Certain automatic deadline extensions
- Reminder of existing restrictions on certain asset transfers, including CV transfers
- Possible extensions on amortization period and/or contribution rate remittance deadlines
- COVID-19 leave of absence

See our March 2020 Blakes Bulletin  
[Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

and April 2020 Blakes Continuity Podcast  
[COVID-19: The Regulatory Impact on Pensions](#)



## Saskatchewan

- New temporary but indefinite asset CV transfer rules, including DB portability freeze
- Subject to the facts of any particular case, a DC plan may be amended to temporarily suspend employer and member contributions for a period ending on or before December 31, 2020<sup>11</sup>
- Certain automatic deadline extensions
- Public health emergency leave of absence

See our March 2020 Blakes Bulletin [Considerations for Pensions and Benefits During COVID-19](#) and April 2020 Blakes Bulletin [Update: Considerations for Pensions and Benefits During COVID-19](#)



## Manitoba

- Public health emergency leave of absence

See our April 2020 Blakes Bulletin [Update: Considerations for Pensions and Benefits During COVID-19](#)



## New Brunswick

- Certain automatic deadline extensions<sup>9</sup>
- Reminder of existing CV transfer rules<sup>10</sup>
- Emergency leaves of absence

See our April 2020 Blakes Bulletin [Update: Considerations for Pensions and Benefits During COVID-19](#)



## Nova Scotia

- Certain automatic deadline extensions

See our April 2020 Blakes Bulletin [Update: Considerations for Pensions and Benefits During COVID-19](#)



## Newfoundland and Labrador

- Certain deadline extensions upon request

See our April 2020 Blakes Bulletin [Update: Considerations for Pensions and Benefits During COVID-19](#)

# Endnotes



<sup>1</sup> The Office of the Superintendent of Financial Institutions has [indicated](#) that it encourages electronic submissions (such as new registrations or plan amendments) which should be sent to the following email address: [pensions@osfi-bsif.gc.ca](mailto:pensions@osfi-bsif.gc.ca).

<sup>2</sup> Canada Revenue Agency (CRA) has [announced](#) that in light of the COVID-19 pandemic, the Minister of National Revenue will waive the 1% rule for the remainder of 2020 if the plan is amended to suspend accruals under the plan for the year, meaning that there will be no employer or employee contributions made to the plan or provision following the plan amendment. This measure only applies for the remainder of 2020 for plans that submit an amendment to the Registered Plans Directorate.

<sup>3</sup> CRA has [announced](#) that in light of the COVID-19 pandemic, the Department of Finance is proposing to extend the April 30, 2020, deadline to June 1, 2020, or a later date acceptable to the Minister of National Revenue, for eligible periods of reduced pay that ended in 2019. Plan members can make an election under their plans, subject to any plan restrictions, on or before June 1, 2020.

<sup>4</sup> The Government of Canada has [announced](#) that students who are not receiving the Canada Emergency Response Benefit would receive C\$1,250 per month for up to four months (May-August 2020). Students with disabilities, and students with dependents would receive an additional C\$750. On May 1, 2020, [Bill C-15, Canada Emergency Student Benefit Act](#) received royal assent.

<sup>5</sup> The Financial Services Regulatory Authority of Ontario (FSRA) has [stated](#) until further notice, and subject always to FSRA's ability to act upon the facts of any particular case, FSRA will not order a plan to be wound up solely because the plan has, as a result of the COVID-19 disruption, been amended to temporarily suspend contributions for a portion of the 2020 calendar year.

<sup>6</sup> The B.C. Financial Services Authority (BCFSA) has [indicated](#) that where the employer wishes to suspend employer contributions, employee contributions, if required, including additional voluntary contributions, must also be suspended for the full period. In addition, if benefits cease to accrue under the plan, an administrator must apply to the Superintendent to continue the pension plan in accordance with section 95 of the Act. In the absence of such an application, the plan is terminated and must be wound up.

# Endnotes



<sup>7</sup> BCFSa has [indicated](#) that extensions to the amortization periods for unfunded liabilities and/or solvency deficiencies are subject to approval from the Superintendent. Administrators wishing to extend the deadline must make an application, in writing, to the Superintendent.

<sup>8</sup> BCFSa has [provided a reminder](#) that an administrator of a pension plan must not, without the consent of, or without being directed to do so by the Superintendent, transfer assets out of the pension fund, if such transfer would impair the solvency of the plan. It is the administrator's responsibility to determine whether a transfer would impair the solvency of the plan and restrict lump-sum transfers, where appropriate.

<sup>9</sup> The Financial and Consumer Services Commission of New Brunswick (FCNB) has [updated](#) its COVID-19 response to extend the time limit for filing Annual Information Returns and providing annual written statements to members due prior to June 30, 2020 by 90 days. Additionally, the Superintendent has extended the time limit for filing any Actuarial Valuation Reports and Cost Certificates due to be filed prior to September 30, 2020, by 90 days.

<sup>10</sup> FCNB has [provided a reminder](#) that if there is reason to believe that the transfer ratio or termination value funded ratio of a plan has been reduced by more than 10% overall since the review date of the most recently filed Actuarial Valuation Report, the administrator shall not transfer the commuted value (or termination value for a shared risk plan) unless, after recalculation, the transfer can be carried out under subsection 19(10) or 19(11) of the *General Regulation – Pension Benefits Act* or is approved by the Superintendent under section 37 of the *Pension Benefits Act*. Given the current volatility of the markets, the Superintendent is of the opinion that all plan administrators have reason to believe that the transfer ratio or termination value funded ratio has been reduced by more than 10%, and a recalculation is, therefore, required prior to the transfer of commuted values or transfer values from pension plans. The Superintendent has deemed it reasonable for pension plan administrators to monitor and, if necessary, recalculate these ratios on a quarterly basis.

<sup>11</sup> The Saskatchewan Financial and Consumer Affairs Authority has [stated](#) that given the current COVID-19 disruption, the Superintendent will not terminate a plan solely because the plan has been amended to temporarily suspend employer and member contributions for a period that lasts no longer than December 31, 2020, subject always to the Superintendent's ability to act upon the facts of any particular case.