



July 9, 2026

Erin O'Neill
ADM/Superintendent of Financial Institutions, Insurance & Pensions
Financial Sector Regulation and Policy
Treasury Board and Finance
Government of Alberta
Terrace Building
9515-107 Street
Edmonton, AB T5K 2C3

Dear Ms. O'Neill:

On behalf of the ACPM Alberta Regional Council, thank you again for taking the time to meet with us on June 22, 2026 to discuss potential pension legislation modernization initiatives. We truly appreciate the opportunity to provide input and collaborate on this important initiative. It was a very useful and productive conversation with you and your team.

At the end of the meeting, you asked ACPM to provide its views on how the various potential legislative changes might be prioritized, in consideration of the items already identified and discussed, and understanding there are limited windows of time for the Fall 2026 legislative session, and that the next opportunity will not likely be before the Spring 2028 session, after the 2027 elections.

Potential pension modernization measures have been identified and discussed over time through the following channels:

1. [ACPM written response to the Alberta Pensions Questionnaire](#) submitted in February 2021.
2. [ACPM written response to the Alberta Treasury Board and Finance Consultation Paper](#) on the Private Sector Pensions Review that ACPM submitted in September 2022.
3. [ACPM May 20, 2025 letter](#), reiterating key recommendations for legislative updates, capturing industry stakeholders' input gathered during ACPM roundtable discussions.
4. ACPM meetings with the Superintendent's office on August 29, 2025 and April 27, 2026.
5. ACPM verbal response to the Pension Modernization Discussion Guide your department prepared and used during our June 22, 2026 meeting.

ACPM continues to believe that the modernization measures identified through these processes are important and would be beneficial. However, we recognize that not all can, or should, be advanced at the same time. Strategic sequencing, stakeholder engagement, technical analysis, implementation planning, and change management will all be important in ensuring that reforms are durable and workable in practice.

With that in mind, we have set out below our recommendations and considerations on prioritization and timing.

FUNDING RULES

Funding reform remains a key issue for ensuring the long-term sustainability, affordability, and competitiveness of Alberta's pension system. Many other jurisdictions in Canada have modernized their pension funding frameworks in recent years, while Alberta's funding rules have remained largely unchanged, falling behind other jurisdictions, making Alberta an outlier and putting Alberta-registered plans and employers at a competitive disadvantage.

However, we acknowledge that funding reform is technically complex and the timing might not make it possible to proceed thoughtfully with these important updates for the Fall 2026 legislative session. We also note that before any amendments are pursued, additional analysis should be performed to ensure that any proposed funding model is sustainable under a wide range of potential economic environments. Analysis should also consider how any revised funding rules would interact with contribution holidays, reserve accounts, letters of credit, and benefit improvements. Reproducing the model from another jurisdiction might be effective, but there is merit in taking the time to further analyze the pros and cons of each of these models, learn from their experience since implementation, and make adjustments to optimize the model where needed. A technical working group of industry experts could be created to undertake this work and analysis with the Government. ACPM Alberta Regional Council would be pleased to participate in this initiative.

Given the strong funding position of many plans in this current economic environment, there does not seem to be an immediate need to quickly address funding reform without going through the aforementioned analysis and rigor. We acknowledge that funded statuses could change quickly, and if so, temporary funding relief(s) might be required again. On balance, however, we recommend that more time be taken to ensure the funding model is appropriate for Alberta and leverage experience from other jurisdictions. The analysis can be completed over the coming year or so with a proposed framework ready for the Spring 2028 legislative session.

OTHER PROVISIONS

If the Government wishes to proceed with a more targeted package of changes for the Fall 2026 legislative session, ACPM believes the following items would be appropriate candidates. These items appear to be more discrete, are generally consistent with prior stakeholder input, and could provide meaningful improvements without requiring the same level of technical policy development as broader funding reform.

1. Regulations for annuity purchase liability discharge including the elements listed in our submissions and your Discussion Guide.
2. Act changes to allow for Variable Payment Life Annuities (VPLAs) and that expand the permitted use of Additional Voluntary Contributions (AVCs) to be administered as retirement savings accounts under DB pension plans. This would signal the Government's agreement with these concepts, create alignment with other jurisdictions, and indicate that the goal is to work with other jurisdictions to harmonize rules and implementation that would come later in regulation. BC had a similar message around VPLAs when they updated their Act to that effect.
3. Additional changes to the Act, Regulation, and related legislation as necessary, that would permit additional automatic features for DC plans, including automatic enrolment and contribution escalation.

4. Low hanging fruit:

- a. Reducing barriers to moving locked-in funds between jurisdictions, including between registered pension plans. This would codify in the Regulations what is currently accepted on a per request basis.
- b. Clarify/reinforce employer accountability in data reporting timeliness to ensure members are receiving information within prescribed timelines. Consider revisiting timelines for prescribed statement distribution from being linked to date of event to being linked to date of information available, as done by other jurisdictions, and/or consider revisiting criteria for non-compliance.
- c. Death benefit waivers: allow beneficiaries and pension partners to waive their entitlement before or after the member's death, and remove the limitation that a pension partner cannot be named as a beneficiary of the estate if they have waived their survivor pension entitlement, as long as it is not to receive the same benefits unlocked (but it would also be taxable). Additionally, where possible, simplify waiver instruction and associated process with the aim of making waivers more user-friendly.
- d. Permit evidence of shortened life expectancy to be provided by a medical practitioner outside of Canada. We also take the opportunity to reiterate that ACPM agrees with the Government's position to not impose a specific time threshold for life expectancy (e.g. 2 years) and keep the current definition and conditions unchanged in that regard.

Please refer to our [September 2022 Consultation Response](#) and our [May 20, 2025 letter](#) for more details on the above, including the rationale for the need for change and description of proposed solutions.

ACPM recognizes that several potential changes have been identified related to benefit division upon relationship breakdown. Some of these proposed changes would be quite beneficial for the members, their former pension partners, and the industry practitioners, such as: 1) proration based on pensionable service (vs current approach which considers elapsed time), 2) allowing for division of a fixed amount and a percentage over 50%, and 3) removing the 180 days requirement for forced redeterminations in the context of calculations linked to benefit division upon relationship breakdown. However, we believe that making piecemeal changes in multiple iterations would create more work and confusion with practitioners. Proposed changes to rules linked to relationship breakdown should be looked at holistically and implemented together for efficiency, smoother transition, and change management. Therefore, we recommend doing the needed analysis and work related to drafting potential updates to the relationship breakdown sections and changes to the related Interpretive Guideline in the coming months, leading to potential legislative changes when possible in the 2028 sessions.

CONCLUSION

We hope these comments assist with your planning and prioritization. In summary, ACPM recommends that Alberta:

- Continue technical work on funding reform, with a view to a comprehensive and durable model for Spring 2028;
- Consider a targeted Fall 2026 package focused on more discrete modernization items, particularly liability discharge on annuity purchase and selected administrative/innovation measures; and
- Approach relationship breakdown rule reform as a more comprehensive package, rather than through piecemeal amendments.

With ACPM being the leading advocacy organization for retirement plan sponsors, administrators, and service providers, dedicated to fostering a balanced, effective, and sustainable retirement income system in Canada, the ACPM Alberta Regional Council continues to seek out opportunities to offer our collective experience to assist

Treasury Board and Finance and the Superintendent's office in the development of sound pension policy and legislation. We would be pleased to discuss further and meet with you and your staff as needed, as well as participate in industry working groups.

Thank you for your consideration and we look forward to connecting again.

Sincerely,



Korinne Collins
Chief Executive Officer
ACPM



Steve Windsor, FCIA, FSA
Vice Chair, Alberta Regional Council
ACPM

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