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The Association of Canadian Pension Management
L'Association canadienne des administrateurs de régimes de retraite

May 25, 2026

Kathleen Wrye
Director, Pensions Policy
Department of Finance Canada
90 Elgin Street, 13th Floor
Ottawa, ON K1A 0G5
Email: re-pension@fin.gc.ca

Re: Regulations Amending Certain Regulations Concerning Pensions (PBSA)

Dear Ms. Wrye,

The Association of Canadian Pension Management (ACPM) appreciates the opportunity to provide comments on the proposed Regulations Amending Certain Regulations Concerning Pensions, as published in the Canada Gazette, Part I on April 4, 2026.

ACPM represents retirement income plan sponsors, administrators, and trustees across Canada, including those responsible for federally regulated defined benefit and defined contribution pension plans. Our members strongly support regulatory initiatives that enhance benefit security, improve risk management, and promote administrative clarity.

Our comments highlight a few areas where additional clarity or flexibility would help ensure smooth implementation, consistent member communications, and alignment with practices already in place in other Canadian jurisdictions. These observations are intended to support the policy objectives underlying the proposed amendments while helping to ensure they operate smoothly in practice.

Life Annuities

ACPM supports the implementation of section 17.2 of the Pension Benefits Standards Act, 1985 and the establishment of a regulatory framework that permits plan administrators to obtain a statutory discharge following the purchase of qualifying life annuities. This framework represents an important step in enhancing benefit security for members and beneficiaries while supporting prudent risk management for defined benefit pension plans.

Discharge Following Buy-In and Buy-Out Annuities

To support operational flexibility, ACPM suggests that the regulations expressly confirm that the conversion of a buy-in annuity to a buy-out annuity constitutes a “purchase of annuity” for the purposes of section 17.2 of the Act.

In particular, the framework should permit a plan administrator to obtain a statutory discharge where a buy-in annuity was purchased (before or after these provisions come into force) and is subsequently converted into a buy-out annuity. In those circumstances, the discharge should take effect on the conversion date, as determined by the plan administrator, provided the annuity otherwise meets the prescribed requirements. This approach—already adopted in other Canadian jurisdictions—would provide plan sponsors with greater flexibility to de-risk and downsize plans and to implement annuity transactions in stages, while maintaining the intended level of benefit security for members and beneficiaries.

Discharge for Previously Purchased Buy-Out Annuities

The framework should confer a discharge where a plan administrator has purchased a buy-out annuity prior to the coming into force of the regulations, subject to disclosure, similar to the approach Ontario has taken for prior purchases. At a minimum, buy-out annuities purchased since the date section 17.2 of the Act was enacted should qualify for a discharge.

Timing of Member Notices

ACPM suggests adjusting the notice timing so members receive notice at least 60 days before annuity payments begin, rather than within 60 days after the annuity is purchased.

Providing notice in advance of benefit commencement would support clearer communication with affected members and beneficiaries, allow for better coordination with insurers, and facilitate a smoother transition from plan-paid benefits to insurer-paid benefits. This approach would also better reflect current administrative practices, as insurance certificates are typically issued following discharge and serve as the definitive description of annuitized benefits.

Notice Recipients and Spousal Information

Consistent with ACPM’s prior submissions, we recommend aligning spousal communication requirements with those applicable in other Canadian jurisdictions. Greater consistency across jurisdictions would reduce complexity for plan administrators and support clearer, more consistent communications for members and their families.

Scope and Content of Member Disclosure

ACPM supports the objective of ensuring that members receive clear and meaningful information when benefits are annuitized. At the same time, we suggest streamlining the prescribed content of annuity-related notices.

Legislative frameworks in other jurisdictions that permit statutory discharge do not require the same degree of detail currently contemplated, and a more concise confirmation that annuity benefits mirror those provided under the plan would be sufficient. Accordingly, we suggest considering the removal of paragraphs 17.1(2)(b)(xii), (xvii), and (xviii), and focusing disclosure on information most relevant to the employee or former member.

Disclosure under subsection 17.1(2)(b) could concentrate on: (i) the member's accrued benefit; (ii) normal and early retirement dates; (iii) portability options; and (iv) applicable pre- and post-retirement death benefits as they apply to the employee or former member. In our view, this notice should not expand to broader third-party disclosures (for example, spouse-specific material) beyond what is necessary to describe the member's benefit.

In this context, insurer-issued certificates should be relied upon as the definitive description of annuitized benefits, with plan administrator notices serving as a clear and concise transition communication. Limiting the information required from plan administrators would also reduce the risk of discrepancies between plan notices and insurer documentation. In any event, the annuity is expected to replicate the benefits and rights provided under the plan.

Surplus Disclosure in Discharge Notices

Disclosure under subsection 17.1(2)(b) paragraph (xii) requires "a statement indicating whether the former member or survivor could be entitled to any surplus despite the purchase of the life annuity and, if so, a description of that entitlement"

However, as acknowledged in the Regulatory Development / Consultation section of the Regulatory Impact Analysis Statement, "*the legislation does not provide the regulatory authority to set out rights with respect to surplus*". In light of this, ACPM submits that the proposed Regulations should not require plan administrators to specify, in a discharge notice, what surplus entitlements a former member or survivor may or may not have.

Instead, the Regulations should require a statement clarifying that the discharge resulting from an annuity buy-out does not affect any existing surplus entitlement, and that any such entitlement will continue to be determined in accordance with applicable legislation, plan terms, and governing documents. This approach would avoid obligating administrators to assess or describe surplus rights at the time of the annuity purchase.

Determining surplus entitlements can be complex and often requires an extensive review of historical plan documents and funding arrangements. Requiring administrators to make such determinations for the purpose of a discharge notice would be unduly burdensome and could discourage the use of annuity buy-outs, contrary to the policy objectives of the framework.

Moreover, any wording included in a discharge notice should not, and could not reasonably, be regarded as a definitive determination of surplus rights in the event of a future legal challenge. Requiring detailed surplus disclosure at this stage would therefore add complexity and risk without providing meaningful additional protection to members.

Unlocking Pension Funds

ACPM supports extending the one-time 50% unlocking option to members who elect to receive variable benefits.

While offering variable benefits remains optional, this change effectively alters the design of those arrangements by introducing the need to administer both locked and unlocked components within the plan. From an administrator perspective, this may be a significant change that introduces additional complexity in administration, recordkeeping, member communication, and plan design. If implemented, it will be important to provide plan administrators with sufficient lead time to update systems, processes, and plan provisions to accommodate these requirements.

Execution of Prescribed Forms and Form 5.3

ACPM suggests simplifying execution requirements for prescribed forms, including proposed Form 5.3. Requiring execution before a notary public or commissioner may introduce additional cost and administrative burden without a corresponding increase in member protection.

At a minimum, a standard witness or attestation process—consistent with other PBSA forms—would be sufficient. Consideration could also be given to eliminating the witness requirement altogether, as a witness signature is unlikely to deter fraud and may present an unnecessary barrier for members.

ACPM appreciates the opportunity to provide these comments and supports the policy objectives underlying the proposed regulations. We would welcome continued dialogue as the regulations are finalised and would be pleased to discuss any of the suggestions outlined above.

Yours sincerely,



Korinne Collins
Chief Executive Officer
Association of Canadian Pension Management