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COVID-19 Measures Taken By Pension Regulators Across Canada Bulletin

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As a result of the COVID-19 pandemic, pension regulators across Canada have been announcing special measures to help protect the interests of pension plan members, assist pension plan administrators and ensure the ongoing financial health of pension plans, particularly given the negative impact that current financial market conditions have had on the funded status of pension plans.

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This bulletin summarizes the measures that have been announced to date. It will be updated as new measures are introduced.

Federal 1

Moratorium on solvency payment requirements for DB plans: On April 15, 2020, Finance Minister Bill Morneau announced that the government will provide immediate, temporary relief to plan sponsors by granting a moratorium for the remainder of 2020 on solvency payment requirements for federally regulated defined benefit pension plans. Restriction on Transfers: Effective March 27, 2020, the Office of the Superintendent of Financial Institutions (OSFI) has temporarily prohibited all portability transfers and annuity purchases relating to defined benefit provisions of pension plans. The payment of pensions to retirees and other beneficiaries is not impacted by this freeze. OSFI will review this temporary measure in the coming months as it monitors the impact of COVID-19 on defined benefit pension plans. During the temporary freeze period, administrators of federally-regulated pension plans may request the federal Superintendent's consent to a transfer or annuity purchase based on plan-specific or special circumstances. Extension of filing deadlines: OSFI is extending the deadlines for certain actions and annual filing requirements under the Pension Benefits Standards Act, 1985 (Canada) and the Pooled Registered Pension Plans Act (Canada). Suspension of consultation initiatives and policy development: OSFI has suspended a number of consultation initiatives and policy development work related to new or revised guidance until conditions stabilize. The full list of suspended initiatives can be viewed [here](#) . Consultations on options for further relief: On April 15, 2020, the federal government also announced that it will consult with stakeholders over the coming months to provide potential relief from 2021 funding obligations.

AIRs, Financial Statements, etc. - extended by 3 months: The deadline for annual information returns, certified financial statements, auditor's report filing confirmation, actuarial report and actuarial information summary, which is usually six months after plan year-end, has been extended to nine months after plan year-end. Annual member statements - extended by 3 months:

The deadline for sending annual statements to members, former members and spouses, which is usually six months after plan year-end, has been extended to nine months after plan year-end. OSFI advises that administrators should notify recipients of the delay.

British Columbia 2

Restriction on Transfers: As of April 2, 2020, BC Financial Services Authority (BCFSA) has not announced any restrictions on transfers. However, administrators should note that, similar to Alberta (discussed below), section 72(3) of the Pension Benefits Standards Act (British Columbia) already restricts transfers from a pension plan that would impair the solvency of the plan (unless the transfer is made with the consent, or by direction, of the Superintendent). Extension of filing deadlines: Effective March 30, 2020, the BCFSA has extended the deadline for various actions:

Annual member statements - extended by 60 days : Annual statements for members that were due between March 30 - December 29, 2020 have been given an extension of 60 days. This means that a plan with a fiscal year end date of December 31 must provide its members with annual statements by August 27, 2020 instead of June 29, 2020. Termination statements- extended by 30 days: Termination of active membership statements that were due by March 30, 2020 have been given an extension of 30 days. AIRs and Financial Statements - extended by 60 days: Annual information returns and financial statements that were due between March 30 - December 29, 2020 have been given an extension of 60 days. This means that plans with a fiscal year end of December 31 must now file their annual information return and financial statement by August 27, 2020 instead of June 29, 2020. AVRs - extended by 90 days : Actuarial valuation reports and actuarial information summaries that had a review date of December 31, 2019 and/or a due date in 2020 have been given an extension of 90 days. This means that plans with a review date of December 31, 2019 must file their valuation report by December 29, 2020 instead of September 28, 2020.

Alberta 3

Restriction on Transfers: The Alberta Superintendent of Pensions has issued a reminder to all plan administrators to comply with section 74(3) of the Employment Pension Plans Act (Alberta), which states that administrators must not transfer assets out of the pension fund if the transfer would impair the solvency of the plan. While this does not amount to a full freeze of transfers, administrators must consider the impact that the current financial market conditions have had on the solvency of their plan and not rely on actuarial valuations that may not reflect the current status of the pension fund. The Superintendent is encouraging administrators to consult with its office for guidance when considering a transfer. Extension of filing deadlines: Alberta has also extended the deadlines for various actions:

AIRs, Financial Statements, AVRs - extended by 180 days: Annual information returns, audited financial statements, and actuarial valuation reports and cost certificates that were due to be filed between March 31-June 30, 2020 have been granted an extension of 180 days. Member statements - extended by 180 days: Annual member disclosure statements and plan summary or member-driven event disclosure statements that were due to be issued between March 31-June 30, 2020 have also been granted an extension of 180 days. Amortization Periods, Remitting Contributions - case-by-case basis: At this time, there is no general extension for amortization periods for unfunded liabilities and/or solvency deficiencies, as well as the deadline for the remittance of employer and employee contributions. Instead, the Superintendent's Office will discuss extensions for these matters with administrators on a case-by-case basis.

Saskatchewan 4

Restriction on transfers: Effective April 16, 2020, the Saskatchewan Financial and Consumer Affairs Authority (FCAA) has temporarily frozen all transfers or payments out of defined benefit plans, as the Superintendent of Pensions has determined that transfers or payments from defined benefit plans would impair the solvency of pension funds. The FCAA will review this measure in the coming months. During this temporary freeze, administrators may request the Superintendent's consent to a

transfer or payment based on plan-specific or special circumstances. Extension of filing deadlines: The FCAA has extended the deadlines for certain filing and disclosure deadlines for pension plans registered in Saskatchewan:

AIRs - extended by 3 months: Annual information returns that were due between March 31-July 31, 2020 have been given an extension of three months. For instance, a plan with a fiscal year end date of December 31 must now file its return by September 30, 2020 instead of June 30, 2020. Annual member statements - extended by 3 months: Annual disclosure statements that were due between March 31-July 31, 2020 have been given an extension of three months. For instance, a plan with a fiscal year end date of December 31 must now provide its members with annual statements by September 30, 2020 instead of June 30, 2020.

Manitoba

No measures announced: As of April 23, 2020, the Office of the Superintendent - Pension Commission has not announced any relief measures.

Ontario 5

Restrictions on transfer: The Ontario Financial Services Regulatory Authority (**FSRA**) has announced that if an administrator of a defined benefit pension plan registered in Ontario knows (or ought to know) that the transfer ratio has fallen by 10% or more since the most recently defined transfer ratio, or if the most recently determined transfer ratio was above 1 and it has fallen to 0.9% or less, then the administrator must not transfer any part of the commuted value of a pension, deferred pension or ancillary benefit without prior approval from the **FSRA**. Approval can be requested using Form 10. Member disclosure: While the **FSRA** does not have the ability to extend the timelines related to member disclosures, it announced that no administrative penalties will be levied provided that plan administrators communicate with **FSRA** to inform them of the challenges in meeting the member disclosure requirements and a reasonable proposed plan of action. Extension of filing deadlines: The **FSRA** is allowing plan administrators to submit filing extension requests up to 60 days via the **FSRA's** Pension Services Portal. For extension requests beyond 60 days, administrators must submit their filing extension requests by email to their assigned Pension Officer.

Quebec 6

Updated solvency considerations: On April 16, Retraite Quebec announced that all payments (transfers and refunds) to be made between April 17-December 31, 2020 must consider the degree of solvency that reflects the plan's current financial situation. Specific guidance on determining the degree of solvency can be found here. Extension of filing deadlines: On April 16, 2020, Retraite Quebec announced a general extension of three months for providing certain documents to Retraite Quebec and to members, including annual member statements, certain actuarial valuations, AIRs, financial reports, termination reports, and notices of annual meeting. For more information please see this table.

New Brunswick 7

Extension of filing deadlines: The New Brunswick Financial and Consumer Services Commission has announced that annual information returns and actuarial valuation reports due to be filed by April 30, 2020 will be given a filing extension of 30 days.

Nova Scotia 8

Extension of filing deadlines: The Nova Scotia Finance and Treasury Board has announced that annual information returns and actuarial valuation reports that were due on March 31 or April 30, 2020 will be given an automatic filing extension until May 31, 2020.

Prince Edward Island

No measures announced: As of April 23, 2020, the Finance Minister has not announced any relief measures.

Newfoundland and Labrador 9

Extension of filing deadlines: On April 6, 2020, the Newfoundland and Labrador Superintendent of Pensions announced that administrators may request an extension for annual information returns. Requests must be made in writing and sent to the Superintendent of Pensions via email. The length of the extension will vary depending on the original filing deadlines. The specific extensions can be found here . Other circumstances may also be considered by written or email request to the Superintendent of Pensions.

Footnotes

1. Office of the Superintendent of Financial Institutions, "Letter to Federally Regulated Private Pension Plans - OSFI Actions to Address Issues Stemming from COVID-19" (March 27, 2020),https://www.osfi-bsif.gc.ca/Eng/pp-rr/ppa-rra/Pages/Pen20200327_let.aspx; OSFI has also posted an FAQ on the COVID-19 measures:https://www.osfi-bsif.gc.ca/Eng/pp-rr/Pages/PenFAQ_Cov.aspx

Department of Finance Canada, "Government announces relief for federally regulated pension plan sponsors" (April 15, 2020),<https://www.canada.ca/en/department-finance/news/2020/04/government-announces-relief-for-federally-regulated-pension-plan-sponsors.html>

2. BC Financial Services Authority, "COVID-19: Relief Measures for Pension Plans in British Columbia" (March 30, 2020),<https://www.bcfsa.ca/pdf/Pensions/bulletins/PENS-20-002.pdf>

3. Superintendent of Pensions, "EPPA Update 20-01 - COVID-19 Relief Measures" (April 1, 2020),<https://open.alberta.ca/dataset/43f3c7e1-c31f-4a69-afe1-44c772a91b09/resource/9ab7d113-84c5-4ac5-993f-574ccc1209a3/download/eppa-update-20-01.pdf>

4. Saskatchewan Financial and Consumer Affairs Authority, "NOTICE: Freeze on Transfers or Payments out of Defined Benefit Plans" (April 16, 2020),https://www.fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/Communication_and_notice_-_Freeze_on_transfer_or_payments_out_of_Defined_Benefit_plans_-_FINAL_-_April_16_2020.pdf and Q&A:https://www.fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/CV_Transfers_-_Q_A_FINAL_-_April_16_2020.pdf

"Deadline Extensions for Pension Plans" (April 2, 2020),https://fcaa.gov.sk.ca/public/CKeditorUpload/Pensions/FCAA_Announcement_-_COVID-19_Relief_Measures_-_FINAL_April_1_2020.pdf

5. Financial Services Regulatory Authority of Ontario, "**FSRA** Announces Changes to Regulatory Requirements due to COVID-19" (March 27, 2020),<https://www.fsrao.ca/newsroom/fsra-announces-changes-regulatory-requirements-due-covid-19>, and "Pensions - 3/20/2020 - COVID-19 Response" (March 18, 2020),<https://www.fsrao.ca/newsroom/pensions-3202020-covid-19-response>

6. Retraite Quebec, "COVID-19: Temporary easing measures regarding the administration of supplemental pension plans" (April 16, 2020),<https://www.retraitequebec.gouv.qc.ca/en/actualites/2020/Pages/20200416.aspx>

7. Financial and Consumer Services Commission, "COVID-19 Update",<https://fcnbc.ca/en/covid-19-update>

8. Nova Scotia Finance and Treasury Board Notices:<https://www.novascotia.ca/finance/en/home/pensions/notices.aspx>

9. Newfoundland and Labrador Pension Regulation Notices:<https://www.gov.nl.ca/snl/files/pensions-pdf-2004-filing-extensions-AIRs-covid19.pdf>

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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