Draft ***Pension Benefits Regulations*** made under the ***Pension Benefits Act***

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Table of Contents

PART I – GENERAL

1 Citation ... 3

2 Interpretation ... 3

3 Solvency asset adjustment ... 8

4 Solvency liability adjustment ... 8

5 Solvency deficiency ... 9

6 Jointly sponsored pension plans – eligibility criteria ... 9

7 Election - jointly sponsored pension plan ... 10

8 Specified multi-employer pension plans ... 12

PART II - FUNDING OF PENSION PLANS

9 Eligibility criteria – specified multi-employer pension plan ... 13

10 Election – Specified multi-employer pension plan ... 14

11 Amendment to a pension plan ... 15

12 Payments - general ... 17

13 Contribution Requirements in Year of Report ... 21

14 Special payments - general ... 22

15 Special payments – temporary ... 27

16 Actuarial valuation reports and certificates ... 30

17 Actuarial valuation reports and certificates – review ... 33

18 Additional valuation report ... 37

19 Preparation of reports, certificates by actuary ... 38

20 Use of actuarial methods and assumptions ... 39

21 Actuarial information summary ... 39

22 Copy of report to agent of administrator ... 40

23 Solvency valuation ... 40

24 Use of actuarial gain and solvency gain ... 40

25 Actuarial cost certificate ... 41

26 Offset on conversion of plan to defined contribution benefits ... 41

PART III - PLAN ADMINISTRATION

27 Annual statement ... 41

28 Information available on request ... 44

PART I - GENERAL

Citation

1 These regulations may be cited as the *Pension Benefits Regulations*.

Interpretation

2 **(1)** In these regulations,

"accountant" means a public accountant licensed under the *Public Accountants Act*;

"Act" means the *Pension Benefits Act*;

"actuarial cost certificate" means an actuarial cost certificate that satisfies the requirements of section 25;

"actuarial gain" means the sum, if positive, of:

(i) 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,

(ii) the amount by which the going concern liabilities decrease as a result of an amendment to the plan, and

(iii) 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 subclauses (i), (ii) or (iii) or any combination thereof shall be counted as a negative in the calculation of the sum where

(iv) the experience of the plan results in a loss rather than a gain,

(v) an amendment increases the going concern liabilities, or

(vi) 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;

"actuarial loss" means the sum, if negative, of,

(i) 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,

(ii) the amount by which the going concern liabilities decrease as a result of an amendment to the plan, and

(iii) 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 (i), (ii) or (iii) or any combination thereof shall be counted as a negative in the calculation of the sum where,

(i) the experience of the plan results in a loss rather than a gain,

(ii) an amendment increases the going concern liabilities, or

(iii) 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;

"actuary" means a Fellow of the Canadian Institute of Actuaries;

"ancillary benefits" means the benefits referred to in subsection 58(1) of the Act;

"*Canadian Institute of Actuaries Standards of Practice*" means the *Canadian Institute of Actuaries Standards of Practice* developed and adopted by the Actuarial Standards Board, from time to time, and published by the Canadian Institute of Actuaries;

"designated plan" means a pension plan that is a designated plan for the purposes of the *Income Tax Act* (Canada);

"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);

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

(i) 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

(ii) the adjustment is an increase in the pension or deferred pension at a fixed annual percentage specified in the plan;

"former regulations" means the *Pension Benefits Regulations*, N.S. Reg. 164/2002, made pursuant to the former Act;

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

(i) the value of the assets of the pension plan, including accrued and receivable income, determined on the basis of a going concern valuation, and

(ii) the present value of any special payments in respect of a going concern unfunded liability disclosed in previously filed reports;

"going concern liabilities" means the present value of the accrued benefits of a pension plan determined on the basis of a going concern valuation;

"going concern unfunded liability" means the amount, if any, by which the sum of the going concern liabilities and the prior year credit balance exceeds the going concern assets;

"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;

"government" means Her Majesty in right of Nova Scotia, an agent of Her Majesty, or a municipality;

"maximum funding valuation" means a maximum funding valuation for the purposes of the *Income Tax Act* (Canada);

"municipality" means a municipality as defined in the *Municipal Government Act*;

"municipality pension plan" means a pension plan for employees of a municipality, but does not include a jointly sponsored pension plan, a multi-employer pension plan, a specified multi-employer pension plan, or a target benefit plan;

"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;

"pensionable earnings" means the earnings on which contributions are based by virtue of the documents that create and support the pension plan;

"prior year credit balance" means the amount determined in accordance with subsection 14(10);

"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;

"solvency asset adjustment" means the amount calculated under section 3;

"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;

"solvency deficiency", in relation to a report, means the amount determined in accordance with Section 5 for a pension plan that provides defined benefits;

"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, but excluding liabilities set out under clause 17(9)(d) in the report for,

(i) any escalation adjustment in relation to the pension benefits accrued before [*the effective date of these regulations*],

(ii) entitlements of a member on wind-up of the pension plan, pursuant to section 97 of the Act;

(iii) special allowances, and

(iv) prospective benefit increases.

"solvency liability adjustment" means the amount specified by section 4;

"special payment" means a payment or one of a series of payments determined for the purpose of liquidating a going concern unfunded liability or solvency deficiency, and determined in accordance with section 14 and 15, and [*Defined Benefit Plan Wind-Up provisions*];

"transfer deficiency" means the amount by which the commuted value of a benefit determined in accordance with subsection [*Commuted Value and Portability of Pensions provision*] of exceeds the transfer value of that benefit determined in accordance with subsection [*Commuted Value and Portability of Pensions provision*];

"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) the amount by which the sum of estimates of normal cost given under clauses 17(8)(a) and (b) in the report exceeds the sum of the estimates given under clause 17(8)(c) in the report for the periods in respect of which the estimates under clauses 17 (8)(a) and (b) are given, and

(B) the sum of the special payments required to be made under these regulations during the periods in respect of which the estimates under clauses 17(8)(a) and (b) are given,

to,

(b) the sum of,

(i) the solvency liabilities, and

(ii) the liabilities for benefits that were excluded in calculating the solvency liabilities;

"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 11, 16, 17 or 18;

"university" means a designated university under the *University Foundations Act*;

"university pension plan" means a pension plan for employees of a university, but does not include a jointly sponsored pension plan, a multi-employer pension plan, a specified multi-employer pension plan, or a target benefit plan.

(2) Unless the context otherwise requires, or unless defined in these regulations, words defined in the Act have the same meaning when used in these regulations.

(3) In calculating solvency assets or a transfer ratio, 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.

(4) For the purposes of these regulations, a going concern unfunded liability, a solvency deficiency, a solvency liability, and a transfer ratio each arises on the valuation date of the report in which it is determined.

Solvency asset adjustment

3 (1) For the purposes of this Part, the solvency asset adjustment in relation to a report in respect of a pension plan 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) the present value of any special payments referred to in clause 14(1)(c) and (d); and

(c) the present value of any special payments referred to in subsection 15(7) and clause 15(8)(a) and (b), and 15(9)(a) and (b).

(2) For the purposes of subsection (1), 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 the interest rates used in the report to calculate the solvency liabilities.

Solvency liability adjustment

4 (1) The solvency liability adjustment in relation to a report is zero unless either of the circumstances described in subsection (2) exist.

(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 3(1)(a).

2. The solvency valuation includes a determination of a solvency asset adjustment, and that solvency asset adjustment includes an 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 the short-term fluctuations in the market value of the plan assets, calculated over a period of not more than five years.

(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 solvency valuation interest rate used in the determination of the amount referred to in paragraph 1 or 2 of subsection (2), whichever applies.

Solvency deficiency

5 (1) 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.

(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.

Jointly sponsored pension plans – eligibility criteria

6 (1) For the purposes of subclause 2(y)(iv) 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 55(8) 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 must 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 24(4)(a) or (b) 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 18(3)(b), (c), (e), (g) or (i) of the Act that is the administrator of the plan.

5. The 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.

(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.

Election - jointly sponsored pension plan

7 (1) A pension plan is a jointly sponsored pension plan,

(a) if the administrator files an election with the Superintendent in accordance with this section, declaring the plan to be a jointly sponsored pension plan; and

(b) if all the eligibility criteria described in Section 6 are satisfied when the election is filed.

(2) A plan ceases to be a jointly sponsored pension plan on the earliest of the following dates:

1. The date, if any, on which the first report is filed under section 11 or 17 in respect of the plan for a valuation date after the administrator rescinds the election in accordance with this section.

2. The date, if any, on which the plan is amended so that one or more of the eligibility criteria described in section 6 are no longer satisfied.

(3) The administrator of a jointly sponsored pension plan that satisfies the criteria described in Section 6 may file an election with the Superintendent declaring the plan to be a jointly sponsored pension plan, and must include with the election a statement:

(a) confirming that the pension plan satisfies the criteria to be a jointly sponsored pension plan;

(b) certifying the date on which the plan became a jointly sponsored pension plan; and

(c) describing how the pension plan satisfies the criteria to be a jointly sponsored pension plan.

(4) The election must be made in writing, only one election may be made in respect of a plan, and the election must be filed no later than the date on which the first report under section 11, 16 or 17 is filed or submitted after the pension plan becomes a jointly sponsored pension plan.

(5) If the pension plan is a jointly sponsored pension plan on [*the effective date of these regulations*], the election must be filed no later than the date on which the first report under section 11, 16 or 17 is filed or submitted after [*the effective date of these regulations*].

(6) The administrator may rescind the election and must do so by filing written notice of the rescission with the Superintendent.

(7) A rescission cannot be withdrawn once it has been filed.

(8) Within 60 days after filing a report to which this section applies, in relation to a jointly sponsored pension plan, the administrator shall give written notice to each member, former member and retired member of the plan that an election has been made under subsection (3).

(9) The written notice required by subsection (8) must contain the following information:

(a) the name and Provincial registration number of the jointly sponsored pension plan;

(b) the name and contact information for the administrator;

(c) 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;

(d) an explanation of how the security of pension benefits and ancillary benefits for members and former members might be affected as a result of the election filed under this Section.

(10) Within 60 days after filing a report to which this Section applies, the administrator must

(a) file a copy of the notice required by subsection (8) with the Superintendent; and

(b) give a copy of the notice required by subsection (8) to

(i) the employers or any persons or entities who make contributions on behalf of the employers or represent the employers;

(ii) the members of the pension plan or any representatives of the members;

(iii) the former members of the pension plan; and

(i) the retired members of the pension plan.

(11) The administrator shall also give a copy of the notice required by subsection (8) to each person who will be eligible or is required to become a member of the jointly sponsored pension plan after the filing of a report to which this section applies and before the plan ceases to be a jointly sponsored pension plan.

Specified multi-employer pension plans

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

(c) if the administrator files an election with the Superintendent in accordance with Section 10, declaring the plan to be a specified multi-employer pension plan; and

(d) if all the eligibility criteria described in Section 9 are satisfied when the election is filed.

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

1. The date, if any, on which the first report is filed under section 11 or 17 in respect of the plan for a valuation date after the administrator rescinds the election in accordance with subsection 10(1).

2. The date, if any, on which the plan is amended so that one or more of the eligibility criteria described in paragraph 4, 5, 6 or 7 of subsection 9(1) are no longer satisfied.

Eligibility criteria – specified multi-employer pension plan

9 (1) The following are the eligibility criteria for a multi-employer pension plan to become a specified multi-employer pension plan:

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 24(4)(a) of the Act.

(2) For the purposes of this section, a group of employers that are affiliates within the meaning of the *Companies Act* is deemed to be one employer.

(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 multi-employer pension plan.

Election – Specified multi-employer pension plan

10 (1) The administrator of a specified multi-employer pension plan that satisfies the criteria described in Section 9 may file an election with the Superintendent declaring the plan to be a specified multi-employer pension plan.

(2) The election must be made in writing, and only one election may be made in respect of a plan.

(3) The administrator may rescind the election and must do so by filing written notice of the rescission with the Superintendent.

(4) A rescission cannot be withdrawn once it has been filed.

(5) Within 60 days after filing a report to which this section applies, in relation to a specified multi-employer pension plan, the administrator shall give written notice to each member, former member and retired member of the plan that an election has been made under subsection (1).

(6) The written notice required by subsection (5) must contain the following information:

(a) the name and Provincial registration number of the specified multi-employer pension plan;

(b) the name and contact information for the administrator;

(c) 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;

(d) an explanation of how the security of pension benefits and ancillary benefits for members, former members and retired members might be affected as a result of the election filed under this Section.

(7) Within 60 days after filing a report to which this Section applies, the administrator must

(a) file a copy of the notice required by subsection (5) with the Superintendent; and

(b) give a copy of the notice required by subsection (5) to

(i) every employer who makes contributions to the specified multi-employer pension plan; and

(ii) every bargaining agent who represents members of the plan.

(8) The administrator shall also give a copy of the notice required by subsection (5) to each person who will be eligible or is required to become a member of the specified multi-employer pension plan after the filing of a report to which this section applies and before the plan ceases to be a specified multi-employer pension plan, and the notice must accompany the information required to be given to the person under subsection 38(1) of the Act.

Amendment to a pension plan

11 (1) Where an amendment to a pension plan reduces or increases contributions or changes a going concern unfunded liability or solvency deficiency, the administrator shall file a report containing any of the information required in a report under section 17 that might be affected by the amendment.

(2) Subsection (1) does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits.

(3) A pension plan must not be amended during the first 5 years of the 10-year amortization period under this Section,

(a) to increase benefits, if to do so would affect the cost of benefits or the solvency or funding of the plan or create an unfunded liability, unless sufficient contributions to the plan have been made to fully fund the cost of those benefits; or

(b) except in relation to the Nova Scotia School Board Association Pension Plan, to decrease employee contributions

municipality pension plan

(4) If an amendment made to a municipality pension plan funded under subclause 15(8)(a) and (b) affects the costs of the benefits provided by the plan, creates an unfunded liability or otherwise affects the solvency or

funding of the plan, the costs of the amendment must be fully paid to the pension fund at the time the amendment is made.

Specified multi-employer pension plan

(5) Subsection (6) applies to a specified multi-employer pension plan if, after an amendment referred to in that subsection, the transfer ratio of the plan is lower than 0.8 or the ratio of the market value of the plan assets to the going concern liabilities is lower than 1.

(6) If a specified multi-employer pension plan is amended to increase pension benefits or ancillary benefits and if either of the conditions described in subsection (5) exists, any increase in the going concern unfunded liability as a result of the amendment must be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 8 years beginning on the valuation date of the report in which the increase in the going concern unfunded liability was determined.

jointly sponsored pension plan

(7) A jointly sponsored pension plan 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 5(2) for the pension plan.

amendments - general

(8) The administrator shall file the report required under subsection (1) within 6 months following the date the amendment is required to be submitted for registration.

(9) An administrator who is required by the Superintendent to give notice of a proposed amendment under subsection 39(1) of the Act must certify in writing to the Superintendent, within 30 days after the date on which the last of the notices was transmitted:

(a) details as to the classes of persons who received notice;

(b) the date the last notice was distributed; and

(c) that notice was provided as required.

(10) For the purposes of subsection 39(4) of the Act, the administrator may give the notice required by subsection 39(1) of the Act to the members, former members and retired members after the amendment to the pension plan is filed, in the following circumstances:

(a) if the Superintendent is of the opinion that the amendment is of a technical nature or will not substantially affect the pension

benefits, rights or obligations of a member, former member or retired member or will not adversely affect any person entitled to payments from the pension fund;

(b) if the amendment has been agreed to by a trade union that represents the members; or

(c) if the amendment is in respect of a multi-employer pension plan established pursuant to a collective agreement or a trust agreement.

(11) The administrator must give the notice referred to in subsection (10) within 6 months after registration of the amendment.

PART 2 - FUNDING OF PENSION PLANS

Payments - general

12 (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.

(2) For the purposes of these regulations, the amount of a payment of an escalation adjustment that is made from the pension fund in relation to pension benefits that have accrued before [*the effective date of these regulations*], to the extent that the payment has not been prefunded, shall be deemed to be part of the normal cost.

multi-employer pension plan

(3) For greater certainty, 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 must 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.

general - contributions

(4) Subject to subsection (7), 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 must make payments to the pension fund or to an insurance company, as applicable, that are not less than the sum of,

(a) 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;

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

(c) all special payments determined in accordance with Section 14;

(d) all special payments determined in accordance with section 15; and

(e) all special payments determined in accordance with sections [*Defined Benefit Plan Wind Up provisions*] and all payments determined in accordance with section [*funding of liability on wind up of jointly sponsored pension plans*].

multi-employer pension plan - contributions

(5) Despite anything in subsection (4), an employer or any person required to make contributions on behalf of an employer with respect to a multi-employer pension plan referred to in subsection (3) must 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.

(6) For the purposes of subsection (5), and clause 16(7)(a), 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:

(a) the normal cost of the plan;

(b) the special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability;

(c) the special payments set out in a previous report that remain to be paid with respect to any solvency deficiency;

(d) the special payments to be paid with respect to any going concern unfunded liability that is determined in the report; and

(e) the special payments to be paid with respect to any solvency deficiency that is determined in the report.

specified multi-employer pension plan- contributions

(7) Despite subsections (4) and (5), the required contributions to a specified multi-employer pension plan are sufficient if, for each year of the period covered by a report pursuant to Section 11, 16, 17, or 18 they are not less than the sum of the following amounts determined under a going concern valuation:

(a) the normal cost of the plan;

(b) the special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability;

(c) the special payments to be paid with respect to any going concern unfunded liability that is determined in the report.

designated plan

(8) Despite subsection (4), an employer required to make contributions under a designated 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.

Jointly sponsored pension plan

(9) If a report filed under section 11 or 17 discloses, in respect of a jointly sponsored pension plan, 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 24(3), payment of that increase shall commence on a date not later than 12 months after the valuation date.

prior year credit balance

(10) Where there is a prior year credit balance, as determined pursuant to subsections 14(10) and (11), the employer may apply the prior year credit balance to reduce the payments required under clauses (4) (b), (c) and (e).

time limits for payments - general

(11) The payments referred to in subsection (4) must 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:

(a) 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 30 days following the month in which the sum was received or deducted;

(b) in the case of a pension plan that provides defined benefits, employer contributions in respect of the normal costs reported under clause 16(2)(a) or 17(8)(a) for each period covered by a report beginning on or after the [*the effective date of these regulations*] in monthly instalments within thirty days after the month for which contributions are payable, the amount of the instalments to be either:

(i) a total fixed dollar amount;

(ii) a fixed dollar amount for each employee or member of the plan; or

(iii) a fixed percentage either of the portion of the payroll related to members of the plan or of employee contributions.

(c) 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:

(i) a total fixed dollar amount;

(ii) a fixed dollar amount for each employee or member of the plan; or

(iii) a fixed percentage either of the portion of the payroll related to members of the plan or of employee contributions.

time limits for payments – multi-employer pension plan

(d) with respect to a multi-employer pension plan:

(i) 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 30 days after the month in which the sum was received or deducted; and

(ii) all amounts, other than those referred to in clause (a), within the time limit specified by the applicable collective agreement

but, in any event, within 30 days after the month in which the period of employment giving rise to such payments occurred.

timing of special payments – wind-up

(e) all special payments determined in accordance with section 14 and [*provisions dealing with funding of liability of employer on wind up*], in equal monthly instalments in accordance with the times for payment set out in sections 14 and [*Defined Benefit Plan Wind Up provisions*].

(f) all special payments determined in accordance with subsections [*Defined Benefit Plan Wind Up provisions*], by annual instalment in accordance with the times for payment set out in [*Defined Benefit Plan Wind Up provisions*].

(12) Subject to subsections 18(6) or (7), if the period covered by a report filed under Section 11, 16 or 17, or submitted under section 18, has ended, and no report covering a subsequent period is filed under section 17 or submitted under section 18, 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 must continue to make payments in accordance with the report most recently filed or submitted under section 11, 16, 17 or 18.

Contribution Requirements in Year of Report

13 (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 11 or 17 is filed with the Superintendent or a report prepared under Section 16 or 18 is submitted to the Superintendent.

(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;

(b) interest on those amounts calculated at the going concern interest rate or the solvency valuation interest rate, whichever applies in the circumstances.

(3) The actuary who prepares the report shall calculate the amount of interest that is payable under clause (2)(b).

contributions – Halifax Regional Municipality Pension Plan

(4) Despite subsection (2), for the actuarial valuation report prepared for the Halifax Regional Municipality Pension Plan as at December 31, 2009, special payments must be made in accordance with subsections 14(3) and 14(4) to amortize a solvency deficiency under the report in accordance with the following time limits:

(a) all outstanding monthly amounts required to be paid in 2010, that were not paid into the pension fund in 2010, must be paid in monthly instalments over 2011 and 2012, together with interest at the solvency valuation interest rate; and

(b) all monthly amounts required to be paid into the pension fund in 2011 and 2012 must be paid in monthly instalments over 2011 and 2012, together with interest at the solvency valuation interest rate.

Special payments - general

14 (1) Except as otherwise provided in this section and in sections 12 and 24, the special payments required to be made after the first valuation date under clause 12(4)(c) must not be less than the sum of,

(a) with respect to any going concern unfunded liability, the special payments required to liquidate the liability, including, where the pension plan provides for escalation adjustments, the amount of any escalation adjustments in relation to pension benefits that have accrued before [*the effective date of these regulations*], with interest at the going concern valuation interest rate, by equal monthly instalments over a period of 15 years,

(i) for a pension plan other than a jointly-sponsored pension plan, beginning on the valuation date of the report in which the going concern unfunded liability was determined; or

(ii) for a jointly-sponsored pension plan, beginning on the date that is not later than 12 months after the date of the valuation report in which the going concern unfunded liability determined.

(b) despite clause (a), for a going concern unfunded liability disclosed in a report filed under Section 11, 16 or 17 on or after [*the effective date of these regulations*] in respect of a specified multi-employer pension plan, the liability shall be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments over a period of the lesser of

(i) 8 years, beginning on the valuation date of the report; and

(ii) the remainder of the amortization period under which the unfunded liability was initially determined.

(c) for a solvency deficiency in existence before, on or after [*the effective date of these regulations*], other than a solvency deficiency in relation to a jointly sponsored pension plan or a specified multi-employer pension plan, the amount required to fully liquidate the solvency deficiency within 5 years after the review date of the solvency valuation in which the solvency deficiency was determined, by equal instalments, with interest at the solvency valuation interest rate;

(d) for a solvency deficiency arising before, on or after [*the effective date of these regulations*], where the administrator files an election pursuant to section 7, declaring the pension plan to be a jointly sponsored pension plan, the amount required to liquidate that part of the solvency deficiency that is greater than 20% of the solvency liabilities, beginning on the date that is not later than 12 months after the date of the valuation report in which the solvency deficiency was identified and ending within 5 years thereafter, paid by equal instalments, with interest at the solvency valuation interest rate, and subject to the rules set out in subsection (9).

(2) The solvency valuation interest rate for purposes of calculating the special payments under clause (1)(c) and (d) with respect to a solvency deficiency is the rate used in the report under section 17 in which the solvency deficiency was determined for the applicable portions of the amortization period for the special payments.

alternative payment schedule

(3) As an alternative to the calculation of minimum special payments under clauses (1)(a), (b), (c) and (d), the payments may be determined by reference to a schedule of payments determined in accordance with subsection (4),

(a) as of the date the going concern unfunded liability arose, for payments referred to in clause (1)(a) and (b); or

(b) as of the date of the solvency valuation, for payments referred to in clauses (1)(c) and (d).

(4) The schedule of payments referred to in subsection (3) must be determined as follows:

(a) each scheduled payment is a constant percentage of the projected

future payroll of members at the date of establishment of the schedule;

(b) the present value of the scheduled payments at the date of establishment of the schedule is equal to the amount of the liability being liquidated;

(c) the projected future payroll is determined using the same actuarial assumptions as used in the going concern valuation where the going concern unfunded liability was determined;

(d) the amortization periods for each series of scheduled payments are the same as the respective periods under clauses (1)(a), (b), (c) and (d); and

(e) the present value of scheduled payments is determined

(i) for payments referred to in clause (1)(a) and (b), using the interest rate assumed in the going concern valuation, and

(ii) for payments referred to in clauses (1)(c) and (d), using the interest rate assumed in the solvency valuation.

solvency deficiency – specified multi-employer pension plan

(5) Where a solvency deficiency is disclosed for a specified multi-employer pension plan, in a report filed pursuant to,

(a) section 4, 12 or 13 of the former regulations; or

(b) section 11, 16 or 17,

the specified multi-employer plan is exempt from the requirement to liquidate the solvency deficiency.

going concern unfunded liability – jointly sponsored pension plan

(6) If a report filed under section 11 or 17 discloses that there is a going concern unfunded liability that is required to be liquidated in respect of a jointly sponsored pension plan, the special payments in respect of the going concern unfunded liability, as determined in accordance with subsection (9), may be increased each year for up to three years, commencing not later than 12 months after the valuation date, 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.

(7) If subsection (6) permits the special payments in respect of the going concern unfunded liability, as determined in accordance with subsection (9), 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.

(8) In the case of a jointly sponsored pension plan, contributions referred to in subsection 55(3) of the Act include contributions made by a former member in respect of any going concern unfunded liability or solvency deficiency.

rules for special payments – jointly sponsored pension plan

(9) The special payments referred to in subclause (1)(a)(ii) and clause (1)(d) 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.

2. 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.

3. The sum in paragraph 1of 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.

4. The present value of the scheduled payments at the date the going concern unfunded liability or the solvency deficiency arose must be equal to the amount of the going concern unfunded liability or solvency deficiency being liquidated.

5. The amortization periods for each series of scheduled payments must be the same as the respective periods under subclause (1)(a)(ii) and clause (1)(d), beginning not later than 12 months after the valuation date.

6. 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, and

(ii) with respect to any solvency deficiency, using the interest rates used in the report to determine the solvency deficiency.

calculation of prior year credit balance

(10) Subject to subsection (11), the prior year credit balance to be used in any report or actuarial cost certificate required under these regulations 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 these regulations,

"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 these

regulations, 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 12, 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.

(11) For a report filed under section 11 or 17 or submitted under section 18 that has a valuation date of [*the effective date of these regulations*] 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 (9); and

(b) not less than zero.

adjustment of special payments based on solvency excess

(12) If, on any valuation date after the first 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 clauses (1)(c) and (d) 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 clauses (1)(c) and (d), 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)(c) and (d), 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.

Special payments – temporary

going concern unfunded liability

15 (1) Special payments may be made to amortize a going concern unfunded liability under this section instead of as required by clause 14(1)(a) or (b).

Initial unfunded liability – Pension Plan for Nova Scotia Power Incorporated

(2) Despite subclause 14(1)(a)(i), in respect of the Pension Plan for Employees of Nova Scotia Power Incorporated on or after August 10, 1992, clause 14(1)(a) must be read, construed, interpreted and given effect for the initial unfunded liability as at August 10, 1992, as if the words "thirty years" were substituted for the words "fifteen years" wherever they appear in that clause.

going concern unfunded liability - specified multi –employer pension plan

(3) Where an election has been made by an administrator of a specified multi-employer pension plan under subsection 8A(3) of the former regulations, any going concern unfunded liability identified in a report filed pursuant to Section 4, 12 or 13 of the former regulations must be liquidated in accordance with subsection (4).

(4) The going concern unfunded liability referred to in subsection (3) must be liquidated, with interest at the going concern valuation interest rate, by equal monthly instalments, over a period of the lesser of,

(a) 10 years, beginning on the valuation date of the report; and

(b) the remainder of the amortization period under which the unfunded liability was initially established.

solvency deficiency

(5) Special payments may be made to amortize a solvency deficiency under this section instead of as required by clause 14(1)(c) or (d).

solvency ratio

(6) In this Section, "solvency ratio" means the ratio of the market value of investments held by a pension plan, plus any cash balances and accrued or receivable income items, to the solvency liabilities determined as of the same date in accordance with Section 23.

temporary special payments – solvency deficiency

(7) Despite clause 14(1)(c) and (d), and except as provided in clauses (8)(a) and (b), and (9)(a) and (b), the special payments to amortize a solvency deficiency, other than a solvency deficiency in relation to a jointly sponsored pension plan or a specified multi-employer pension plan, must not be less than the amount required to fully liquidate existing or new solvency deficiencies within 10 years of the date of the first actuarial valuation report prepared between December 30, 2008, and

January 2, 2011, by equal instalments with interest at the solvency valuation interest rate.

temporary special payments–solvency deficiency, municipality pension plan

(8) (a) Despite clause 14(1)(c) and (d), and subsection (7), under a municipality pension plan the special payments to amortize,

(i) the remaining balance of a solvency deficiency arising between December 30, 2005, and August 30, 2006, and

(ii) a solvency deficiency arising between August 30, 2006, and August 30, 2016,

must not be less than the amount required to liquidate that part of the solvency deficiency that is greater than 15% of the solvency liabilities, within 5 years after the review date of the solvency valuation in which the solvency deficiency is identified.

(b) Despite clause clause 14(1)(c) and (d), subsection (7), and clause (a), special payments may be made under a municipality pension plan to amortize a solvency deficiency existing before January 2, 2011, in an amount sufficient to liquidate that part of the solvency deficiency that is greater than 15% of the solvency liabilities within 10 years after the date of the first actuarial valuation report prepared between December 31, 2008, and January 2, 2011, with interest, at the solvency valuation interest rate, including interest on that part of the solvency liabilities that is equal to or less than 15% of the solvency liabilities.

temporary special payments – solvency deficiency, university pension plan

(9) (a) Despite clause 14(1)(c) and (d), and subsection (7), special payments may be made to fully liquidate a solvency deficiency arising before January 1, 2006, under a university pension plan, within 15 years after the review date of the solvency valuation in which the solvency deficiency is identified.

(b) Despite clause 14(1)(c) and (d), subsection (7), and clause (a), special payments to amortize a solvency deficiency existing before January 2, 2011, under a university pension plan, may be paid as follows:

(i) payments may be omitted during the 3-year period beginning with the first actuarial valuation report prepared as at a date between December 30, 2008, and January 2, 2011; and

(ii) payments made after the 3-year period must not be less than the amount required to fully liquidate the outstanding balance of the solvency deficiency over the next 7 years, by equal instalments with interest at the solvency valuation interest rate.

temporary special payments - solvency deficiency – general

(10) Special payments made pursuant to this section, in relation to a solvency deficiency, must be made by equal monthly instalments, with interest at the solvency valuation interest rate, and must otherwise meet any applicable requirements set out in Section 14.

general

(11) The failure to make any special payment under Section 14 or a provision of a pension plan that, because of this section, is not required to be made, is deemed not to be a breach of Section 14 or the provision requiring the payment to be made.

Actuarial valuation reports and certificates

16 (1) This Section does not apply with respect to a pension plan where all the pension benefits under the plan are defined contribution benefits.

going concern valuation basis- report

(2) Within 90 days after the date of establishment of a pension plan, the administrator must 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 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;

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

(d) any other going concern unfunded liability;

(e) the special payments required to liquidate any going concern unfunded actuarial liability referred to in clause (d);

(f) where the plan provides for an escalation adjustment, whether and to

what extent the cost for the escalation adjustment is included in the normal cost in relation to the pension benefits that have accrued under the plan before [*the effective date of these regulations*];

(g) where the plan provides for an escalation adjustment, the means by which,

(i) the liability for the future cost of the escalation adjustment has been included in the determination of any going concern unfunded liability, or

(ii) the cost for the escalation adjustment is included in the normal cost,

in relation to the pension benefits accruing under the plan after [*the effective date of these regulations*];

solvency valuation basis - report

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

(a) whether there is a solvency deficiency;

(b) if there is a solvency deficiency, the amount of the solvency deficiency and the special payments required to liquidate it in accordance with section14 or 15;

(c) whether the transfer ratio is less than one; and

(d) if the transfer ratio is less than one, the transfer ratio.

(4) The report for a designated plan shall also contain a maximum funding valuation.

(5) The report referred to in subsection (2) shall be certified by a person authorized by section 19.

(6) A report referred to in subsection (2) 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.

multi-employer pension plan – tests and proposed options

(7) In the case of a multi-employer pension plan that is not a specified multi-employer pension plan or a jointly sponsored pension plan, the actuary must, as part of a report required pursuant to subsection (2) or section 11 or 17,

(a) perform such tests as will demonstrate the sufficiency of the contributions required by the collective agreement or trust 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.

(8) For the purposes of clause (7)(a), the sufficiency of the required contributions is to be determined on the basis of a going concern valuation and a solvency valuation.

multi-employer pension plan – sufficiency of contributions - report

(9) For the purpose of clause (7)(a), 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 amounts set out in subsection 12(6).

multi-employer pension plan – where options proposed

(10) Where an actuary proposes options in accordance with subsection (7)(b),

(a) the actuary must submit to the administrator a copy of the report containing the proposed options;

(b) the actuary must file a copy of the report,

(i) within 30 days of submitting the report to the administrator; and

(ii) within the time period referred to in subsection 17(12);

(c) within 90 days following the date on which the actuary submitted the proposal to the administrator, the administrator must take such action as will result in the required contributions being sufficient to provide for benefits under the plan;

(d) within 90 days following the date on which the actuary submitted the report to the administrator, the administrator

(i) must advise the Superintendent of the action taken in order for the required contributions to be sufficient to provide for benefits under the plan; and

(ii) must file all documents relevant to the action taken.

specified multi-employer pension plan – going concern valuation report

(11) In the case of a specified multi-employer pension plan, the administrator must, within 90 days after filing an election pursuant to subsection 10(1), submit a report on the basis of a going concern valuation that sets out,

(a) the normal cost of the plan;

(b) the special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability; and

(c) the special payments to be paid with respect to any going concern unfunded liability that is determined in the report.

(12) Subsection (7) applies to a specified multi-employer pension plan.

(13) With respect to a specified multi-employer pension plan, **f**or the purposes of clause (7)(a), the sufficiency of the required contributions is to be determined on the basis of a going concern valuation.

Specified multi-employer pension plan – sufficiency of contributions

(14) For the purposes of the application of clause (7)(a) to a specified multi-employer pension plan, 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,

(a) the normal cost of the plan;

(b) the special payments set out in a previous report that remain to be paid with respect to any going concern unfunded liability; and

(c) the special payments that remain to be paid with respect to any going concern unfunded liability that is determined in the report.

Actuarial valuation reports and certificates – review

17 (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.

(2) Subject to subsections (3) to (8) the administrator of a pension plan must cause the plan to be reviewed and a report prepared and certified by a person authorized under Section 19 at regular intervals, with the first valuation date not more than 3 years after the date of the establishment of the plan, and with valuation dates at intervals of not more than 3 years thereafter.

(3) For the purposes of subsection (4), a report indicates solvency concerns if any of the following circumstances exist:

1. Except in relation to a jointly sponsored pension plan, the ratio of the solvency assets to the solvency liabilities is less than 0.85 for a valuation date on or after [*the effective date of these regulations*].

2. In relation to a jointly sponsored pension plan, the ratio of the solvency assets to the solvency liabilities is less than 0.80 for a valuation date on or after [*the effective date of these regulations*].

(4) Where a report filed under this section or submitted under section 16 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 (2).

(5) Subsections (3) and (4) do not apply to a plan established for less than three years except where the plan is a successor plan as described in subsection 108 or section 110 of the Act.

(6) Subsections (3) and (4) do not apply to

(a) a pension plan that is a designated plan; and

(b) a specified multi-employer pension plan that files a report required to be filed in respect of the plan under this section.

(7) Where a pension plan ceases to be a designated plan, the administrator of the plan shall cause the plan to be reviewed and a report prepared and certified by an actuary 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 plan.

going concern valuation

(8) Each report under this section 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;

(d) 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;

(e) 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 14. or the temporary payments required to liquidate it in accordance with section 15;

(f) the present value of future special payments remaining to be paid after the valuation date and established in certificates appended to previous reports, except in relation to a specified multi-employer pension plan;

(g) where the plan provides for an escalation adjustment, whether and to what extent the cost for the escalation adjustment is included in the normal cost in relation to the pension benefits that have accrued under the plan before [*the effective date of these regulations*];

(i) where the plan provides for an escalation adjustment, the means by which,

(ii) the liability for the future cost of the escalation adjustment has been included in the determination of any going concern unfunded liability, or

(iii) the cost for the escalation adjustment is included in the normal cost,

in relation to the pension benefits accruing under the plan after [*the effective date of these regulations*];

(h) except in relation to a multi-employer pension plan, the actuarial gain or actuarial loss in the pension 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 15 years, and

(ii) where there is an actuarial gain, any intended application of the gain in accordance with Section 24;

(i) for a specified multi-employer pension plan, the actuarial gain or actuarial loss in the pension 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 8 years, and

(ii) where there is an actuarial gain, any intended application of the gain in accordance with Section 24;

solvency valuation

(9) Each report under this section 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, except in relation to a specified multi-employer pension plan;

(c) 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 14 or 15;

(d) the liabilities referred to in clauses (i) to (iv) of the definition of "solvency liabilities" that are being excluded from the calculation of the solvency liabilities;

(e) where the plan provides for an escalation adjustment, whether and to what extent the cost for the escalation adjustment is included in the normal cost in relation to the pension benefits that have accrued under the plan before [*the effective date of these regulations*];

(f) where the plan provides for an escalation adjustment, the means by which,

(i) the liability for the future cost of the escalation adjustment has been included in the determination of any solvency deficiency, or

(ii) the cost for the escalation adjustment is included in the normal cost,

in relation to the pension benefits accruing under the plan after [*the effective date of these regulations*];

(g) whether the transfer ratio is less than one; and

(h) if the transfer ratio is less than one, the transfer ratio.

(10) Each report under this section shall also set out the prior year credit balance on the valuation date of the report.

(11) Each report under this section for a designated plan shall contain a maximum funding valuation.

(12) The administrator shall file each report required under this section within nine months of the valuation date.

cost certificate

(13) If an insured pension plan is funded by level premiums extending not beyond the retirement age for each individual member, a cost certificate may certify the adequacy of the premiums to provide for the payment of all benefits under the plan in lieu of the matters required to be certified under subsection (2).

(14) A cost certificate referred to in this Section must include:

(a) the estimated cost of benefits under the pension plan and the contributions to the plan, showing separately employer and plan member contributions during the plan year in respect of which the cost certificate is prepared; and

(b) the formula for computing the cost of benefits, showing the formula for allocating the cost between the employer and the plan members for subsequent plan years.

(15) The administrator shall file the actuarial valuation report and cost certificate with the Superintendent within 9 months of the review date established for the report referred to in subsection (2).

Additional valuation report

18 (1) The Superintendent may cause a report on a plan to be prepared where,

(a) a report required under section 11, 16 or 17 in relation to the plan has not been filed within one year after the time required by these regulations; and

(b) the Superintendent is of the opinion that the preparation of a report in accordance with subsection (2) is necessary to ensure that the plan is sufficiently funded to provide the benefits under the plan.

(2) A report under subsection (1) must contain the information required by section 11, 16 or 17, whichever applies.

(3) A report under subsection (1) must be prepared by an actuary chosen by the Superintendent and must be submitted by the actuary to the Superintendent.

(4) If, during the preparation of a report on a plan, under this section, the Superintendent 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 Superintendent may cause work on the report to cease and the actuary need not submit the report to the Superintendent.

(5) If a report is submitted to the Superintendent under subsection (3), 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.

(6) Except as provided in subsection (7), if a payment requirement set out in a report submitted under subsection (3) 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.

(7) If, in the opinion of the Superintendent, a payment in accordance with the higher requirement under subsection (6) 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.

(8) This section does not apply to a multi-employer pension plan, including a specified 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 the employer to contribute to the pension plan is limited to a fixed amount set out in a collective agreement, unless the pension plan is a jointly sponsored pension plan.

Preparation of reports, certificates by actuary

19 (1) The reports and certificates referred to in Sections 11(1), 16 and 17, and in Section 94 of the Act (wind-up report) must be prepared by an actuary.

(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 January 1, 1988, 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), as applicable, responsible for administering the pension plan or pension fund.

Use of actuarial methods and assumptions

20 (1) An actuary preparing a report under Section 11, 16 or17, or under Section 94 of the Act (wind-up report) must use methods and actuarial assumptions that are consistent with accepted actuarial practice and with the requirements of the Act and these regulations.

(2) An actuary preparing a report under section 18 shall use his or her best effort to meet the standards set out in subsection (1).

(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.

(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).

(5) A person preparing a report under subsection (1) or (2) shall use actuarial cost methods and assumptions that are consistent with section 3000 of the Canadian Institute of Actuaries Standards of Practice, available to the public from the offices of the Canadian Institute of Actuaries, or electronically on its website.

Actuarial information summary

21 (1) A report filed under section 11 or 17 or submitted under section 16 or 18 must be accompanied by an actuarial information summary.

(2) The actuarial information summary must be signed by the actuary who signs the report.

(3) The actuarial information summary must be prepared in a form approved by the Superintendent.

Copy of report to agent of administrator

22 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 16 or filed under section 17.

Solvency valuation

23 (1) To determine the existence of a solvency deficiency for the purposes of a report under Section 11, 16, 17 or 18, a valuation must be performed by the person preparing the report to determine the solvency liabilities of the plan and the solvency assets of the plan.

(2) In determining the solvency liabilities for a multi-employer pension plan, including a specified 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.

Use of actuarial gain and solvency gain

24(1) If a report discloses, an actuarial gain under the pension plan the actuarial gain must be applied, firstly, to reduce any going concern unfunded liability.

(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.

(3) In any year for which no special payments are required to be made for a pension plan under section 14, an actuarial gain may be applied to reduce contributions for normal costs required to be made

(a) by the employer,

(b) by a person or entity required to make contributions on behalf of the employer,

(c) by the members of the pension plan, or

(d) by any of the persons referred to in clauses (a) through (c).

Actuarial cost certificate

25(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 these regulations, based on a valuation date of the first day of the fiscal year of the plan to which the certificate relates.

(2) An actuarial cost certificate must contain:

(a) an estimate of the normal cost of the plan for the fiscal year of the plan commencing on the valuation date of the certificate.

(b) an estimate of the total employee contributions to the plan to be made during that fiscal year.

(c) the going concern assets, estimated going concern liabilities, solvency assets and estimated solvency liabilities, each determined as of the valuation date of the certificate.

(d) the prior year credit balance.

(e) the estimated transfer ratio, calculated using the solvency assets and estimated solvency liabilities determined in the certificate.

Offset on conversion of plan to defined contribution benefits

26 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.

Annual statement

27 A statement required under section 40 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, except for multi-employer pension plans, the date on which the member was employed by the employer;

(e) the date or dates on which the member became fully vested or will become fully vested;

(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) the name of any person designated by the member as a beneficiary for the purposes of the pre-retirement death benefit under section 67 of the Act;

(j) a description of any benefits provided on the death of a member other than those required under section 63 or 67 of the Act;

(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) the amount of any optional contributions made by the member to the pension fund during the period covered by the statement;

(p) the accumulated amount of any optional contributions and any interest credited to the contributions made by the member to the pension fund to the end of the period;

(q) 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;

(r) 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 each of the two reports filed most recently under sections 16 and 17, and

(vi) an explanation of the transfer ratio and how it relates to the level of funding of members' benefits;

(s) where the plan permits a member to make optional contributions,

(i) the estimated amount of optional contributions that the member could make in the following year,

(ii) the optional benefits chosen by the member, and

(iii) a statement that there is a risk of forfeiture of part of those contributions under the *Income Tax Act* (Canada);

(t) where applicable, a statement that special payments are being made to liquidate any unfunded liability or solvency deficiency;

(u) a statement setting out the treatment of any surplus in a continuing plan and on wind up;

(v) 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 55;

(w) 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, 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; and

(x) for a pension plan that is a jointly sponsored pension plan and that, in a report filed under section 11, 16 or 17, 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 5(2),

(i) 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,

(ii) 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,

(iii) 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

(iv) if the most recent report filed under section 11, 16 or 17 for the pension plan has specified a solvency deficiency that is lower than would be calculated under subsection 5(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.

(2) The administrator shall provide the statement required under section 40 of the Act to members within six months after the fiscal year end of the plan.

Information available on request

28 (1) The following documents or information are prescribed for the purpose of sections 42 and 43 of the Act:

(a) The provisions of the current pension plan including any amendments to the plan.

(b) Any documents relating to the pension plan that must be filed in support of an application for registration of the plan under subsection 19(3) 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 22(2) of the Act (or under a predecessor to that subsection).

(c) The provisions of any previous pension plan including amendments thereto where the current plan is a successor to a previous version of the plan.

(d) 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 19(3) 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 22(2) of the Act (or under a predecessor to that subsection).

(e) The applicable provisions of any document that sets out the employer's responsibilities with respect to the pension plan.

(f) A document that delegates the administration of the pension plan or pension fund.

(g) Copies of any information returns that are filed in respect of the pension plan.

(h) Copies of any financial statement or any report under section 11, 16, 17 or 18 that are filed in respect of the pension plan.

(i) Copies of correspondence in respect of the pension plan between the administrator and the Superintendent or any person employed in the Office of the Superintendent, within five years before the date of the request, but not personal information that relates to a member or former member unless the consent of the member or former member is obtained.

(j) 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 and are filed in respect of the pension plan.

(k) Copies of any financial statement or audited financial statement for a pension fund that is filed.

(2) The following documents are prescribed for the purposes of section 42 of the Act:

(a) Copies of any statement of investment policies and procedures for the plan that is established under these regulations.

(3) The fee prescribed for a copy of any document referred to in subsection (1) that is obtained from the Superintendent is $0.53 per page, with a minimum fee of $5.35.

(4) The administrator shall comply with a written request under section 42 of the Act within thirty days after receipt of the request.

(5) A person making a request under section 42 or 43 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.