

**BULLETIN NUMBER:** PENS 15-001  
**TITLE:** New Pension Legislation Proclaimed  
**LEGISLATION:** *Pension Benefits Standards Act*  
**DATE:** May 2015

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## PURPOSE

On May 11, 2015, the Lieutenant Governor of British Columbia approved the new [Pension Benefits Standards Regulation](#) (the New Regulation). The New Regulation supports Bill 38-2012, the new [Pension Benefits Standards Act](#), SBC 2012, c. 30. (the New Act) which was passed in the spring of 2012 and subsequently amended by Bill 10-2014, the [Pension Benefits Standards Amendment Act](#). In addition to approving the New Regulation, the Lieutenant Governor of British Columbia also approved September 30, 2015 as the date the New Act and Regulation will come into force.

This Bulletin is designed to notify stakeholders of the passage of the New Regulation and the pending coming-into-force of the New Act. It also provides plan administrators and service providers with timelines for when specific documents must be filed with the Superintendent, and when other items must be in place to comply with the new legislation.

The new legislation reflects the changes recommended by the [Joint Expert Panel on Pension Standards in their 2008 report](#). It has been drafted to be highly harmonized with the province of Alberta.

Stakeholders should also review the following documents:

- PENS 15-002 provides a summary of changes contained in the new *Pension Benefits Standards Act*,
- PENS 15-003 provides a summary of changes contained in the new Pension Benefits Standards Regulation, and
- PENS 15-004 contains a checklist for amendments to the plan text document, the funding document, and other plan documents.

Over the coming months, a series of bulletins and guidelines will be produced. These documents will replace the existing bulletins, and will be drafted to provide legislative and policy considerations on specific issues related to the new legislation.

The New Act and New Regulation are available from the British Columbia Queen's Printer either via the internet (<http://www.bclaws.ca>) or in hard copy. A consolidation of the Act and Regulation will be available shortly from the Queen's Printer.

## **New Definitions**

**“benefit formula plan”** means either or both of a pension plan that provides for a defined benefit provision, or a target benefit provision.

**“non-collectively bargained multi-employer plan (NCBMEP)”** means a multi-employer plan that is established other than through a collective agreement, unless, under section 28 of the Act, the superintendent designates the plan as a collectively bargained multi-employer plan or a single employer plan.

**“collectively bargained multi-employer plan (CBMEP)”** means a multi-employer plan that is established through a collective agreement, unless, under section 28 of the Act, the superintendent designates the plan as a non-collectively bargained multi-employer plan or a single employer plan.

## **Deadlines for Administrators**

### Plan Text Amendment – All plans

An amendment to the plan text document, amending the terms of the plan to reflect new required plan provisions, must be filed by December 31, 2015. Any amendment to reflect the adoption of optional plan provisions may be filed at any time.

Although plan text amendments are not immediately required, the plan must be administered to reflect the new legislative requirements from September 30, 2015 onward.

### Governance Policy (All plans) and Funding Policy (Benefit Formula Plans)

Written governance and funding policies must be in place by January 1, 2016. There is no requirement to file these documents with the Superintendent, but a copy of the funding policy must be given to the plan actuary.

### Compliance with new records retention rules (all plans)

For existing plans, the new record retention [policies] required by section 34 of the New Act must be in place by the beginning of the plan fiscal year after the plan fiscal year in which September 30, 2015 falls. The Superintendent will publish requirements for records retention policies.

### Compliance with new disclosure rules (All plans)

The inclusion of new information and the additional statements that must be provided will be required as of September 30, 2015. This means that all administrators of plans with fiscal year ends of September 30 or later must provide all information and additional statements required by the New Regulation.

### Triennial (3-year) administrator assessment (All Plans)

The plan administrator must assess the administration of the plan in accordance with section 41 of the New Act by the last day of the fiscal year of the plan after the fiscal year of the plan in which September 30, 2015 falls, and then every three years thereafter.

For example, if the plan year end is December 31, 2015, the first assessment must be performed no later than December 31, 2016 (since the plan year applicable to the September 30, 2015 proclamation date is 2015 and the review must be completed by the end of the plan year after that year).

### Information to Fundholders (All Plans)

All pension plans, except for CBMEPs, must provide the fund holder with an updated Schedule of Expected Contributions within 30 days after the coming into force of the legislation; i.e. by October 30, 2015.

### Default investment option for defined contribution provisions

Plans which require members to make decisions regarding the investment of their accounts have until June 28, 2016 to implement the new default investment option for those accounts.

### Participation Agreements (NCBMEPs)

Section 36 of the New Act requires that administrator of an NCBMEP must enter into a written participating agreement with all employers participating in the plan. The required content of a participation agreement for an NCBMEP is set out in section 28 of the New Regulation. This means that administrators of existing NCBMEPs must either create a participation agreement that meets the prescribed conditions or amend their existing participation agreement to comply with the requirements of the New Regulation. These new or revised agreements, as applicable, must be in place not later than January 1, 2016.

### Changes to LIRAs and LIFs

British Columbia has adopted the use of the term “locked-in retirement account” or “LIRA.” The terms “locked-in registered retirement savings plan,” “locked-in RRSP” or “LIRRSP” will no longer be used. “Life Income Fund” or “LIF” will continue to be used.

The requirements for offering LIRAs and LIFs will change, as we harmonize our administrative procedures with those in place in the province of Alberta. Effective March 31, 2016, we will no longer list the names of individual specimen contracts eligible to hold funds that are locked-in under the new legislation. Subject to a declaration from the financial institutions that all specimen contracts will be subject to the prescribed LIRA or LIF addendum, as appropriate, and that each owner of a LIRA or LIF will be provided a copy of the relevant addendum, the Superintendent's lists for LIRAs and LIFs will set out the names of the financial institutions only. Copies of the revised addenda should be sent to all LIRA and LIF owners with the next statement of account that is sent to them.

## **MORE INFORMATION**

All interested persons should monitor the Pensions website ([http://www.fic.gov.bc.ca/index.aspx?p=pension\\_plans/index](http://www.fic.gov.bc.ca/index.aspx?p=pension_plans/index)) for further updates and information.

Plan sponsors and their service providers should contact the relevant employee of the Superintendent of Pensions if they have questions specific to their plan.

Other stakeholders may contact the Office of the Superintendent of Pensions by telephone or by email at:

Telephone: 604 660-3382  
email: Pensions@ficombc.ca

At the Financial Institutions Commission, we issue information bulletins to provide technical interpretations and positions regarding certain provisions contained in the *Pension Benefits Standards Act*, Regulations and other pertinent legislation. While the comments in a particular part of an information bulletin may relate to provisions of the law in force at the time they were made, these comments are not a substitute for the law. The reader should consider the comments in light of the relevant provisions of the law in force at the time, taking into account the effect of any relevant amendments to those provisions or relevant court decisions occurring after the date on which the comments were made. Subject to the above, an interpretation or position contained in an information bulletin generally applies as of the date on which it was published, unless otherwise specified.