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<b>BULLETIN NUMBER:</b>	<b>PENS 18-002</b>
<b>TITLE:</b>	<b>Calculating Commuted Values for multijurisdictional formula based pension plans</b>
<b>LEGISLATION:</b>	<b>Pension Benefits Standards Regulation</b>
<b>DATE:</b>	<b>February 2018</b>

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## **PURPOSE**

This bulletin provides clarification on the calculation and payment of commuted values for multijurisdictional pension plans registered in British Columbia (BC).

## **BACKGROUND**

Over the last couple of years different pension jurisdictions in Canada have introduced funding requirements that have implications for the calculation and payment of commuted value transfers. For example, BC and Alberta have introduced provisions that allow plans with target benefit (TB) components to calculate and pay commuted values on a going concern basis. Alberta introduced amendments on November 21, 2017 that would allow collectively bargained multiemployer plans (CBMEPs) that are currently under a solvency moratorium, upon application to the superintendent to elect to pay commuted values on a going concern basis.

## **ISSUE:**

We have received enquiries from administrators of TB plans registered in BC, with members accruing benefits in other jurisdictions including Alberta about how the commuted benefits of such members should be calculated.

### Calculating Commuted Values.

1. For all benefit formula plans registered in BC with members in other jurisdictions, the administrator must calculate and pay commuted value benefits for non-BC members on the basis as required by their specific jurisdictions, unless the determination of the method of calculation and payment of commuted value benefits for a plan in that province is specifically delegated to the Superintendent of BC by the superintendent of the other jurisdiction.

2. For CBMEPs registered in BC that have TB provisions, with members in **Alberta**, the plan may calculate and pay commuted values for Alberta members on the same basis as the BC members for all service upon application to the Superintendent, i.e. going concern basis. The plan is required to submit an amendment to the Superintendent to pay commuted values on such basis.
3. For CBMEPs registered in Alberta that have elected to pay termination benefits on going concern basis, the administrator may pay commuted values for BC members who terminate after November 21, 2017, on a going concern basis.
4. For CBMEPs registered in BC with TB provisions with members in **other jurisdictions**, the administrator must calculate the commuted value for the members in the other jurisdictions on the basis required by their pension legislation.
5. For Non-CBMEPs registered in BC with TB provisions and with members in Alberta, the administrator must calculate the commuted value for the Alberta members on a solvency basis, (i.e. the current basis required by the Alberta legislation) because Alberta's amendment referenced above applies only to CBMEPs.

## MORE INFORMATION

If you have any questions, please contact the Office of Superintendent of Pensions at [Pensions@ficombc.ca](mailto:Pensions@ficombc.ca) or by phone at 604.660.3555.

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