

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 751, Approved and Ordered October 24, 2016


Lieutenant Governor

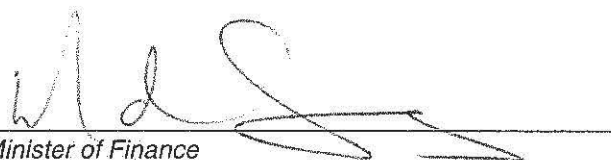
Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, is amended as set out in the attached Appendix.

DEPOSITED

October 25, 2016

B.C. REG. 245/2016


Minister of Finance


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Pension Benefits Standards Act*, S.B.C. 2012, c. 30, s. 133

Other: O.I.C. 219/2015

October 11, 2016

R/813/2016/18

APPENDIX

1 Section 10 of the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, is amended by adding the following subsection:

(15) A pension plan to which Schedule 8 applies and a plan contributor, as defined in that Schedule, are exempt from the provisions of the Act and this regulation as set out in Schedule 8, to the extent and on the conditions specified in that Schedule.

2 The following Schedule is added:

SCHEDULE 8

(section 10 (15))

EXTENSION OF SOLVENCY DEFICIENCY PAYMENT PERIOD

Definitions and application

1 (1) In this Schedule:

“exemption period”, in relation to a defined benefit component for which an election is made under section 2, means the period beginning on the date the written notice of election is received by the superintendent and ending on the earlier of

- (a) the date every solvency deficiency of the defined benefit component established on or before the specified review date is eliminated, and
- (b) the end date of the 10-year period referred to in section 4 (a);

“plan contributor”, in relation to a pension plan for which an election is made under section 2, means the plan contributor as defined in section 56 of the regulation that is required under the Act to make contributions to the plan;

“specified review date”, in relation to a pension plan for which an election is made under section 2, means the review date specified in the written notice of election.

(2) This Schedule applies only to a pension plan of which the plan text document contains one or more defined benefit provisions.

Election

2 (1) Subject to this Schedule, the administrator of a pension plan may elect to have payments made into the plan in accordance with this Schedule, instead of section 57 (2) (c) of this regulation, in respect of every solvency deficiency of a defined benefit component of the plan established on or before the specified review date.

(2) The administrator may make an election under subsection (1) by

- (a) providing to the superintendent a written notice of election in the form and manner required by the superintendent,

- (b) specifying in the written notice of election a review date of the plan falling on or after December 31, 2015 and before January 1, 2018, and
 - (c) submitting, together with the written notice of election,
 - (i) an amortization schedule, prepared by a Fellow of the Canadian Institute of Actuaries, for the series of payments required under section 4 (a) of this Schedule, and
 - (ii) any other information or records required by the superintendent.
- (3) The administrator may make an election under this section only once in respect of a defined benefit component of the plan.

Solvency deficiency payment exemption

- 3 (1) On the conditions set out in section 4 and subject to subsection (2), if the administrator of a pension plan makes an election under section 2, the plan and plan contributor are exempt from
- (a) sections 45 and 52 (2) of the Act, and
 - (b) section 57 (2) (c) and (4) of this regulation.
- (2) The exemptions under subsection (1) apply during the exemption period to any payments referred to in section 57 (2) (c) of this regulation that the plan contributor would otherwise be required to make in relation to any solvency deficiency, established on or before the specified review date, of the defined benefit component for which an election is made under section 2 of this Schedule.

Conditions of exemption

- 4 The exemptions under section 3 are made on all of the following conditions:
- (a) the plan contributor makes a series of payments into the plan, or, in the case of a divisional multi-employer plan, makes the plan contributor's share of a series of payments into the plan, that are made at least monthly, which series of payments must be sufficient, in the opinion of the actuary who prepared the amortization schedule referred to in section 2 (2) (c) (i), to amortize the solvency deficiencies, established on or before the specified review date, of the defined benefit component for which an election is made under section 2 over the 10-year period that begins on the specified review date, or, in the case of a jointly sponsored plan, on the first anniversary of that review date;
 - (b) the administrator discloses to active members, in the annual statement required under section 30 of this regulation, for each fiscal year that includes any portion of the exemption period, the following:
 - (i) the fact of the exemption from the requirements under section 57 (2) (c) and (4) of this regulation;
 - (ii) the condition set out in paragraph (a) of this section;
 - (c) the administrator discloses to persons who are receiving pensions, in the annual statement required under section 31 of this regulation, for each fiscal year that includes any portion of the exemption period, the information referred to in paragraph (b) (i) and (ii) of this section;

- (d) for the purposes of determining the solvency asset adjustment for the defined benefit component of the plan during the exemption period, the administrator of the plan includes in the calculation of the solvency asset adjustment the actuarial present value of the payments that are yet to be made under paragraph (a) of this section.

Application of regulation

- 5 (1) Subject to this section, sections 46 (4) (d) (ii), 57 (9) and (12) and 63 of this regulation continue to apply during the exemption period in respect of the solvency deficiencies, established on or before the specified review date, of a defined benefit component for which an election is made under section 2 of this Schedule.
- (2) For the purposes of subsection (1),
 - (a) the payments required to be made under section 4 (a) of this Schedule in respect of the solvency deficiencies referred to in subsection (1) of this section are deemed to be payments required to be made under section 57 (2) (c) of the regulation in respect of those solvency deficiencies, and
 - (b) the 10-year period referred to in section 4 (a) of this Schedule in respect of the solvency deficiencies referred to in subsection (1) of this section is deemed to be the applicable solvency deficiency payment period in relation to those solvency deficiencies.