

March 24, 2021

NOTICE PURSUANT TO SECTION 28.1 OF *THE PENSION BENEFITS REGULATIONS, 1993*

Freeze on Transfers or Payments out of Defined Benefit Plans is Modified: Most Transfers and Payments to be Based on the Solvency Ratio in the Most Recently Filed Actuarial Valuation Report

Section 28.1 of *The Pension Benefits Regulations, 1993* (the Regulations) provides that the administrator must obtain the prior written consent of the Superintendent of Pensions (the Superintendent) before making most transfers and payments out of defined benefit plans, if the Superintendent is of the opinion that the transfer or payment would impair the solvency of the pension fund.

28.1(1) Notwithstanding any other provision of these regulations, an administrator must obtain the prior written consent of the superintendent to do any of the following if, in the superintendent's opinion, the transfer or payment would impair the solvency of the pension fund:

- (a) transfer moneys or make a payment out of a defined benefit plan pursuant to section 20, 31, 32, 33 or 48 of the Act or section 26.1;
- (b) transfer moneys or make a payment out of a defined benefit plan to purchase a life annuity.

(2) The superintendent may, in writing, consent to or direct a full or partial transfer or payment mentioned in subsection (1) on terms and conditions the superintendent considers appropriate in the circumstances.

On April 16, 2020, the Superintendent issued a Notice whereby no transfers or payments could be made unless the Superintendent provided consent.

On October 5, 2020, the Superintendent revoked the April 16, 2020 Notice and issued a Notice whereby consent was provided for transfers and payments mentioned in clause 28.1(1)(a) of the Regulations to be made, subject to the condition that, if a transfer deficiency holdback or employer contribution to the plan is required pursuant to subsection 28(2) of the Regulations, the transfer or payment must reflect a solvency ratio which is the lesser of:

- The solvency ratio determined in the most recently filed actuarial valuation report; and
- The solvency ratio, as determined by an actuary, projected to a date no earlier than March 31, 2020.



For transfers or payments mentioned in clause 28.1(1)(b) of the Regulations, plan administrators were required to obtain the prior written consent of the Superintendent in order to proceed with the purchase of a life annuity.

Effective March 24, 2021, the Superintendent revokes the October 5, 2020 Notice and issues the following Notice:

- Transfers and payments mentioned in clause 28.1(1)(a) of the Regulations: In the opinion of the Superintendent, these transfers and payments would not impair the solvency of the pension fund. Therefore, the prior written consent of the Superintendent is not required with respect to these transfers and payments. These payments are to be based on the solvency ratio in the most recently filed actuarial valuation report.
- Transfers and payments mentioned in clause 28.1(1)(b) of the Regulations: In the opinion of the Superintendent, these transfers and payments would impair the solvency of the pension fund. Therefore, the prior written consent of the Superintendent is required with respect to these transfers and payments.

A handwritten signature in blue ink, reading 'L. Fichter', is positioned above a horizontal line.

Leah Fichter
Deputy Superintendent of Pensions