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Carswell's Pension Manual Release 2023-3, February 2024

Publisher's Special Release Note 2024

The pages in this work were reissued in February 2024 and updated to reflect that date in the release line. Please note that we did not review the content on every page of this work in the February 2024 release. We will continue to review and update the content according to the work's publication schedule. This will ensure that subscribers are reading commentary that incorporates developments in the law as soon as possible after they have happened or as the author deems them significant.

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RECENT DEVELOPMENTS

Legislative Developments

Nova Scotia

Amendment to Pension Benefits Regulation

The Pension Benefits Regulation, N.S. Reg. 216/2015 was amended by the N.S. Reg. 122/2023 effective July 28, 2023. The amendment specifies that the agree-

ment with the designated jurisdictions entitled “2023 Agreement Amending the 2020 Agreement Respecting Multi-Jurisdictional Pension Plans”, signed by the Minister of Finance and Treasury Board on February 23, 2023, comes into effect in Nova Scotia on July 1, 2023.

N.S. Reg. 122/2023 can be accessed at <https://novascotia.ca/Just/regulations/rg2/2023/RG2-2023-07-14.pdf>. The Pension Benefits Regulation, N.S. Reg. 216/2015 can be accessed at <https://novascotia.ca/just/regulations/regs/pbpensionregs.htm>.

Regulatory Developments

Canada

Independent Review Supports 31st Actuarial Report on the Canada Pension Plan

On June 29, 2023, the Office of the Chief Actuary (OCA) released the finding of an independent panel’s review of the 31 Actuarial Report on the Canada Pension Plan (CPP). The OCA produces an actuarial report on the CPP every three years, which provides a better understanding of the financial state of the CPP. The panel, consisting of three independent actuaries, found that the OCA’s work on the 31st CPP Actuarial Report complied with statutory requirements and all relevant professional standards of practice.

The 31st CPP Actuarial Report can be found at <https://www.osfi-bsif.gc.ca/Eng/oac-bac/ar-ra/cpp-rpc/Pages/cpp31.aspx>. The findings of the independent panel’s review can be found at <https://www.osfi-bsif.gc.ca/eng/oac-bac/ipr-rip/Pages/cpp31-rev.aspx>.

Draft Pension Plan Risk Management Guidelines

The Canadian Association of Pension Supervisory Authorities (“CAPSA”) recently released a draft of the CAPSA Pension Plan Risk Management Guideline (Guideline) for consultation. The Guideline’s stated purpose is “to support plan administrators in fulfilling their fiduciary obligations, including appropriate consideration of their applicable standard of care related to managing risks”. The final draft of the Guideline current to May 24, 2023, can be accessed at <https://www.capsa-acor.org/Documents/View/2055>.

Update to Actuarial Information Summary

Revenue Canada updated the Actuarial Information Summary (Summary). This Summary must accompany the actuarial valuation report. Several changes have been made, including changes to “Part V – Information required by Retraite Québec”. Changes to Part V consist of:

- the addition of line 188.2 regarding the amounts recorded under section 42.2 of the *Supplemental Pension Plans Act*;
- the addition of lines 199.2 to 199.4 regarding the stabilization provision; and
- the renumbering of lines 188 and 199 as lines 188.1 and 199.1 respectively.

The materials can be accessed at the following links:

<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1200.html> (updated T1200 Actuarial Information Summary)

https://www.rrq.gouv.qc.ca/en/professionnels/regles_financement/Pages/precisions_sommaire_rens_actuariels.aspx (Retraite Québec's guidance on certain lines in the Summary as a complement to the instructions in the form)

Alberta

Alberta Releases Report Regarding Potential Alberta Pension Plan and Withdrawal from Canada Pension Plan

Alberta's Treasury Board commissioned, consistent with the recommendations of the Government's Fair Deal Panel, an analysis of the costs, benefits and structure of a potential Alberta Pension Plan (APP), including the actuarial, economic, legal and technical issues relating to the establishment and operation of an APP.

On September 21, 2023, Alberta released that report entitled *Alberta Pension Plan – Analysis of Costs, Benefits, Risks and Considerations*. Among the significant issues considered in the report are:

- Could Alberta withdraw from the CPP? If so, what is the process and timeline?
- What would the level of pension benefits and associated contribution rate be for an APP?
- What are the considerations for a successful transition to an APP?
- How would the establishment of an APP affect other government programs?
- What are the set up and ongoing costs for an APP and who could be the service providers for an APP?

The report can be accessed at <https://open.alberta.ca/dataset/8453eb60-1ff8-4c87-9735-b253d4f28824/resource/ab628f2e-c365-4037-9070-ab65d8223d92/download/tbf-lifeworks-app-analysis-of-costs-benefits-risks-and-considerations-2023-08.pdf>.

British Columbia

Release of Findings from BCFSA 2023 Sector Insights Survey

The BC Financial Services Authority (BCFSA) released findings from its 2023 Sector Insights Survey (Survey). The Survey was completed by 2,589 professionals across B.C.'s financial services sector, including pensions. The Survey concerned the BCFSA's overall effectiveness and impact on regulated entities and individuals. The detailed Survey results can be viewed at <https://www.bcfsa.ca/media/3445/download>.

Launch of Consultation on Natural Catastrophe and Climate-Related Risks

On July 19, 2023, the BC Financial Services Authority (BCFSA) released the Natural Catastrophes and Climate-Related Risks: Managing Uncertainty and

Building Resilience in the Financial Services Sector Discussion Paper (Discussion Paper). The Discussion Paper outlines the material risk that natural catastrophes and climate-related risks pose to the financial services sector in British Columbia, with impacts to each of the segments BCFSa regulates, including pension plans. Feedback regarding the Discussion Paper may be provided through the BCFSa's online Consultation Feedback Form until November 30, 2023. The Discussion Paper can be viewed at <https://www.bcfsa.ca/media/3400/download>. The Consultation Feedback Form can be accessed at <https://survey.alchemer-ca.com/s3/50199785/Consultation-on-Natural-Catastrophe-and-Climate-Risk>.

Nova Scotia

Release of 2022-2023 Annual Report by Nova Scotia Pension Services Corporation

On July 28, 2023 the Nova Scotia Pension Services Corporation released its 2022-2023 Annual Report (Report). The Report states that NS Pension finished its fiscal year on March 31, 2023, with \$13 billion in assets under management for the Public Service Superannuation Plan (PSSP) and the Teachers' Pension Plan (TPP). At March 31, 2023, the PSSP achieved a rate of return on investments of 3.45 per cent (net of investment fees); while the TPP at its year-end of December 31, 2022, achieved a return of -4.05 per cent (net of investment fees). The membership numbers for both plans grew in 2022-2023. The PSSP membership stood at 42,468 at March 31, 2023, an overall increase of 1,210 from the year before. The TPP membership stood at 34,234 at December 31, 2022, an overall increase of 660 from the year before. The Report can be assessed at <https://www.novascotiapension.ca/sites/default/files/2023-07/2022-2023%20NS%20Pension%20Annual%20Report%20-%20Final.pdf>.

Release of 2022-2023 Annual Report by Public Service Superannuation Plan Trustee Inc.

The Public Service Superannuation Plan Trustee Inc. released its Public Service Superannuation Plan Annual Report (Report). The Report provides details concerning the financial health of the Plan and a comprehensive review of its investment performance in 2022-2023 at year-end March 31. The Report can be viewed at <https://www.nspssp.ca/sites/default/files/2023-06/2022-2023%20PSSP%20Annual%20Report%20-%20Final.pdf>.

Ontario

Service Standards Scorecard Q1 FY 2023-2024

In September 2023, the Financial Services Regulatory Authority of Ontario (FSRA) released its Q1 2023-2024 Service Standards Scorecard (Scorecard). According to the Scorecard, the FSRA met or exceeded performance targets for 90% of its standards, including responding to 96% of Pension inquiries within 45 business days. The FSRA also introduced two new metrics for the Pensions sector, which will help FSRA better monitor its performance and improve service delivery. The Q1 FY 2023-2024 Service Standards Scorecard can be viewed at <https://www.fsrao.ca/media/23766/download>.

Issuance of Q2 2023 Solvency Report

According to FSRA's Q2 2023 Solvency Report, the median solvency ratio for funded pension plans at the end of Q2 was 116%, with positive investment returns averaging at 0.7%. The report can be accessed at <https://www.fsrao.ca/media/23621/download>.

FSRA Pension Update

On August 17, 2023, the FSRA published a general pension update addressing the past quarter. The update can be viewed at <https://www.fsrao.ca/newsroom/pension-update-august-17-2023>.

Guidance Consultation – Pension Plan Administrator Roles and Responsibilities

The FSRA has proposed updates and changes to the current Pension Plan Administrator Roles and Responsibilities Guidance. New sections include content concerning managing and retaining records, responding to complaints and inquiries, and communicating information to plan members accurately and timely. Other updates address observed supervisory issues and the overall clarity of the guidance. FSRA requested public feedback regarding the new sections with consultation closing on September 28, 2023.

The materials can be accessed at the following links:

<https://www.fsrao.ca/industry/pensions/regulatory-framework/guidance-pensions/pension-plan-administrator-roles-and-responsibilities> (active Pension Plan Administrator Roles and Responsibilities Guidance)

<https://www.fsrao.ca/industry/pensions/regulatory-framework/guidance-pensions/proposed-guidance-pension-plan-administrator-roles-and-responsibilities-guidance> (unmarked Proposed Pension Plan Administrator Roles and Responsibilities Guidance)

<https://www.fsrao.ca/media/23676/download> (marked up Proposed Pension Plan Administrator Roles and Responsibilities Guidance)

Quebec

Refund of Contribution Overpayments

Retraite Québec is carrying out a refund of contribution overpayments made by members of the public sector pension plans following the regularization of employment for 2022. Regularization of employment affects plan members who hold more than one employment in a year. It is an adjustment of service, credited so that it does not exceed service usually recognized for one full-time employment in the same year. Detailed information regarding the refund of the contributions to the pension plan members can be viewed at <https://www.retraitequebec.gouv.qc.ca/en/faq/rrsp/participants/remboursement-des-cotisations-et-remise-de-dette/Pages/remboursement-des-cotisations-versees-en-trop.aspx>.

Update to “Legislative and regulatory amendments” Section

The Public-Sector Pension Plans’ “Legislative and regulatory amendments” section, on the Retraite Québec’s website, was updated to reflect the changes made by the *Act amending mainly certain Acts establishing public-sector pension plans*, S.Q. 2023, c. 6. This Act, which received assent on April 6, 2023, amends all public-sector pension plans administered by Retraite Québec. The main changes made by the Act concern the revaluation (increase in value) of pension credits in the following situations:

- after the transfer of supplemental pension plans (SPPs) or the transfer of an agreement to the Government and Public Employees Retirement Plan (RREGOP), the Pension Plan of Management Personnel (PPMP), the Retirement Plan for Senior Officials (RPSO) or the Pension Plan of Certain Teachers (PPCT);
- after a buy-back made prior to membership in RREGOP, the PPMP or the RPSO.

The materials can be accessed at the following links:

<https://www.retraitequebec.gouv.qc.ca/en/publications/nos-programmes/rrsp/modifications-legislatives-et-reglementaires/Pages/modifications-legislatives-et-reglementaires.aspx> (Legislative and regulatory amendments section)

<https://www.retraitequebec.gouv.qc.ca/en/publications/nos-programmes/rrsp/modifications-legislatives-et-reglementaires/Pages/ml-2023-06.aspx> (summary of legislative amendments to public-sector pension plans made by *Act amending mainly certain Acts establishing public-sector pension plans*, S.Q. 2023, c. 6)

<https://www.retraitequebec.gouv.qc.ca/SiteCollectionDocuments/RetraiteQuebec/en/pdf/Projet%20de%20loi%209%20%282023%2c%20chapitre%206%29%20EN.PDF> (full text of *Act amending mainly certain Acts establishing public-sector pension plans*, S.Q. 2023, c. 6)

Update to Actuarial Information Summary

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- the addition of line 188.2 regarding the amounts recorded under section 42.2 of the *Supplemental Pension Plans Act*;
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https://www.rrq.gouv.qc.ca/en/professionnels/regles_financement/Pages/precisions_sommaire_rens_actuariels.aspx (Retraite Québec’s guidance on

certain lines in the Summary as a complement to the instructions in the form)

Saskatchewan

Canadian Association of Pension Supervisory Authorities Consultations

In June, 2023, the Canadian Association of Pension Supervisory Authorities (CAPSA) released the following items for stakeholder comments:

- Guideline No. 3: Capital Accumulation Plans (current revision date being May 9, 2023) – comments were requested by July 21, 2023
- CAPSA Guideline: Pension Plan Risk Management (final draft as of May 24, 2023) – comments were requested by September 30, 2023

Guideline No. 3: Capital Accumulation Plans can be accessed at <https://www.capsa-acor.org/Documents/View/2045>. CAPSA Guideline: Pension Plan Risk Management can be accessed at <https://www.capsa-acor.org/Documents/View/2055>.

Quick Reference – Forms

Forms of interest and utility to pension administrators and advisors can be obtained online at the following sites in each jurisdiction:

Canada

<https://www.osfi-bsif.gc.ca/eng/pp-rr/ppa-rra/gde-frm/Pages/default.aspx>

Alberta

<https://www.alberta.ca/pensions-forms>

British Columbia

<https://www.bcfsa.ca/industry-resources/pension-resources/pension-forms>

Manitoba

https://www.gov.mb.ca/finance/pension/industry/pi_forms.html

Newfoundland

<https://www.gov.nl.ca/dgsnl/forms/#pen>

New Brunswick

<https://www.fcnb.ca/en/personal-finances/pension-administrators/pension-forms>

Northwest Territories

<https://www.osfi-bsif.gc.ca/eng/pp-rr/ppa-rra/gde-frm/Pages/default.aspx>

Nova Scotia

<https://novascotia.ca/finance/en/home/pensions/forms/default.aspx.html>

Nunavut

<https://www.osfi-bsif.gc.ca/eng/pp-rr/ppa-rra/gde-frm/Pages/default.aspx>

Ontario

<https://www.fsrao.ca/industry/pensions/pensions-all-forms>

Prince Edward Island

<https://www.peipspp.ca/forms>

Quebec

<https://www.retraitequebec.gouv.qc.ca/en/formulaires/Pages/formulaires.aspx>

Prince Edward Island

<https://www.peipspp.ca/forms>

Quebec

<https://www.retraitequebec.gouv.qc.ca/en/formulaires/Pages/formulaires.aspx>

Saskatchewan

<https://www.alberta.ca/pensions-forms>

Yukon

<https://www.osfi-bsif.gc.ca/eng/pp-rr/ppa-rra/gde-frm/Pages/default.aspx>

These references are accurate as of the date of publication of each release but are subject to change by the site administrators and will, where they change, be updated in subsequent releases.

ProView Developments

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- As with the print product, the front matter is in a different order than previously displayed
- The Table of Cases, Table of Statutes and Index are now in PDF with no searching and linking
- The Table of Contents now has internal links to every chapter and section of the book within ProView
- Images are generally greyscale and size is now adjustable
- Footnote text only appears in ProView-generated PDFs of entire sections and pages