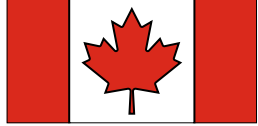


# COVID-19: Pensions Regulatory Updates Across Canada



## Federal

- Signatory to the 2020 Agreement Respecting Multi-Jurisdictional Pension Plans<sup>1</sup> (2020 Agreement)
- Office of the Superintendent of Financial Institutions (OSFI)
  - DB freeze on portability transfers and annuity purchases lifted subject to certain conditions
  - FAQs on voluntary solvency payment moratorium
  - Certain automatic deadline extensions
  - Encourages electronic submissions
- Department of Finance
  - Voluntary solvency payment moratorium
  - Time-limited relief from RPP borrowing restrictions
  - Temporary stop-the-clock rules for limits on leave periods under DSLPs
  - Deadline extension for decisions to retroactively credit pensionable service under a DB plan or make catch-up contributions to a DC plan
  - Permitting catch-up contributions to DC plans for 2020 to be made in 2021
  - Setting aside the 36-month employment condition in the definition of “eligible period of reduced pay” for 2020
  - Allowing wage rollback periods in 2020 to qualify as eligible periods of reduced pay under an RPP
  - Consultation paper on strengthening Canadians’ retirement security<sup>2</sup>
- Canada Revenue Agency (CRA) (applicable to plans in all jurisdictions)
  - Waiver of one per cent minimum employer contribution to a DC plan
  - Extended deadline for members to elect to have eligible periods of reduced pay that ended in 2019 credited as pensionable service
  - Reduced minimum withdrawal amounts for RRIFs, PRPPs and DC variable benefits
- Other Federal Initiatives
  - Canada Emergency Response Benefit and Canada Emergency Student Benefit
  - Canada Emergency Wage Subsidy<sup>3</sup> and Small Business Employee Subsidy
  - Income Support Benefits<sup>4</sup> and Employment Insurance (EI) amendments<sup>5</sup>
  - Additional reporting for the T4 slip<sup>6</sup>
  - COVID-19 leave of absence



See our April 2020 Blakes Bulletins and Podcast:

[Update: Considerations for Pensions and Benefits During COVID-19](#)

[Alert: OSFI Updates FAQs for Federally Regulated Private Pension Plans](#)

[FAQs: Canadian Pension Plans and COVID-19](#)

[Blakes Continuity Podcast: COVID-19: The Regulatory Impact on Pensions](#)

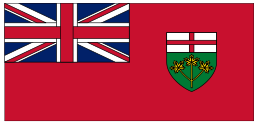
May 2020 Blakes Bulletin: [Top 5 Employer Questions on the CERB](#)

June 2020 Blakes Bulletin: [Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)

July 2020 Blakes Bulletin: [Draft Pension and Deferred Salary Leave Tax Regulations Released](#)

September 2020 Blakes Bulletin: [OSFI Lifts Temporary Portability Freeze and Restriction on Buy-Out Annuity Purchases](#)

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## Ontario

- Signatory to the 2020 Agreement
- Optional election to defer employer contributions to certain DB plans
- Temporary suspension of DC contributions in 2020 will not trigger wind-up
- FSRA guidance on limitations on CV transfers and annuity purchases from DB plans
- Certain automatic deadline extensions and additional deadline extensions upon request<sup>7</sup>
- AMPs may not be levied for delayed member communications (but must advise FSRA)
- Suspension of statutory time periods for FST
- Deferred fee assessments
- Infectious disease emergency leave of absence
- FST consultation on in-person hearings during COVID-19

See our March 2020 Blakes Bulletin:

[Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Bulletins:

[Update: Considerations for Pensions and Benefits During COVID-19](#)

[FAQs: Canadian Pension Plans and COVID-19](#)

[Alert: FSRA Releases Pension Sector Emergency Management Response](#)

April 2020 Blakes Continuity Podcast:

[COVID-19: The Regulatory Impact on Pensions](#)

May 2020 Blakes Bulletin:

[Alert: FSRA Releases Approach to Limitations on Defined Benefit Commuted Value Transfers and Annuity Purchases](#)

June 2020 Blakes Bulletin:

[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)

September 2020 Blakes Bulletin:

[The Price of Not Paying the Price: Employers Deferring Pension Contributions Face Other Restrictions](#)



## Quebec

- Signatory to the 2020 Agreement
- Update to degree of solvency that must be taken into account for certain payments out of a DB plan<sup>8</sup>
- Maintain active membership despite a temporary suspension of accrued benefits<sup>8</sup>
- Eliminated the requirement to file an AVR by December 31, 2020, for DB plans whose funding levels were below 90 per cent on December 31, 2019<sup>8</sup>
- Recognition of proposed amendments to the *Income Tax Regulations* regarding RPPs for the purpose of the Quebec taxation system<sup>9</sup>
- Harmonization with proposed amendments to the *Income Tax Regulations* regarding DSLPs<sup>9</sup>
- Certain automatic deadline extensions
- **NEW:** Temporary easing measures for LIF withdrawals have been extended to December 31, 2021<sup>10</sup>

See our April 2020 Blakes Bulletin:

[Quebec Announces Temporary Relief Measures for Supplemental Pension Plans During COVID-19](#)

April 2020 Blakes Continuity Podcast

[COVID-19: The Regulatory Impact on Pensions](#)

July 2020 Blakes Bulletin:

[New Temporary Relief Measures for Supplemental Pension Plans in Quebec](#)



## Alberta<sup>11</sup>

- Signatory to the 2020 Agreement
- Certain automatic deadline extensions
- Reminder of existing restrictions on certain asset transfers, including CV transfers
- Possible extensions on amortization period and/or contribution rate remittance deadlines
- COVID-19 leave of absence
- Administrators may seek permission to suspend solvency and going-concern special payments for the period June 24, 2020 – December 31, 2020
- Permitted actuarial excess available for contribution holidays increased from 20% to 40% for a single plan fiscal year
- Collectively bargained MEPPs exempted from applying PfAD on contributions for 2020
- Documents required to be filed or provided under the EPPA, other than beneficiary designations, may be delivered electronically
- **NEW:** Electronic beneficiary designations permitted<sup>12</sup>
- Mandatory electronic filing of audited financial statements, plan texts and amendments, and fundholder documents<sup>13</sup>

See our March 2020 Blakes Bulletin:  
[Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Bulletin:  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Continuity Podcast:  
[COVID-19: The Regulatory Impact on Pensions](#)

June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)

June 2020 Blakes Bulletin:  
[Alberta Introduces Additional COVID-19-Related Relief](#)



## Saskatchewan

- Signatory to the 2020 Agreement
- Freeze on transfers or payments out of DB plans modified<sup>14</sup>
- Subject to the facts of any particular case, a DC plan may be amended to temporarily suspend employer and member contributions for a period ending on or before December 31, 2020
- Certain automatic deadline extensions
- Public health emergency leave of absence

See our March 2020 Blakes Bulletin [Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

and June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)



## British Columbia

- Signatory to the 2020 Agreement
- May suspend contributions to a DC plan with application to Superintendent
- Possible extensions on amortization period and/or contribution rate remittance deadlines
- Reminder of existing restrictions on certain asset transfers, including CV transfers
- Certain automatic deadline extensions
- COVID-19 leave of absence
- **NEW:** Short-term funding relief has been offered to Target Benefit plans<sup>15</sup>

See our April 2020 Blakes Bulletin:  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

April 2020 Blakes Continuity Podcast:  
[COVID-19: The Regulatory Impact on Pensions](#)

June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)

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## Manitoba

- Certain automatic deadline extensions
- Reminder of existing CV transfer rules
- Public health emergency leave of absence
- **NEW:** Voluntary moratorium on unfunded liability and solvency deficiency payments for December 2020 and the 2021 calendar year<sup>16</sup>

See our April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

and June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)



## Nova Scotia

- Signatory to the 2020 Agreement
- Certain automatic deadline extensions

See our April 2020 Blakes Bulletin:  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)



## New Brunswick

- Signatory to 2020 the Agreement
- A DC plan may be amended to suspend contributions for the remainder of 2020
- Certain automatic deadline extensions
- Reminder of existing CV transfer rules and expectations for monitoring and recalculating transfer ratios
- Alignment with reduced federal minimum withdrawal rate from RRIFs<sup>17</sup>
- Emergency leaves of absence

See our April 2020 Blakes Bulletin  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)



## Newfoundland and Labrador

- Certain automatic deadline extensions
- **NEW:** Introduced unlocking for financial hardship of pension benefits from a retirement savings arrangement<sup>18</sup>

See our April 2020 Blakes Bulletin:  
[Update: Considerations for Pensions and Benefits During COVID-19](#)

June 2020 Blakes Bulletin:  
[Update No. 2: Considerations for Pensions and Benefits During COVID-19](#)

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<sup>1</sup> On June 4, 2020, OSFI published an [FAQ](#) on the 2020 Agreement.

<sup>2</sup> On November 6, 2020, the Department of Finance released a consultation paper, [Strengthening Canadians' Retirement Security – Proposals to Support the Sustainability of and Strengthen the Framework for Federally Regulated Private Pension Plans](#), which touches on a number of topics, including potential options for temporary broad-based solvency funding relief for 2021 and ministerial guidelines on special funding relief. Comments are due by January 14, 2020.

<sup>3</sup> On November 19, 2020, [Bill C-9, An Act to Amend the Income Tax Act \(Canada Emergency Rent Subsidy and Canada Emergency Wage Subsidy\)](#) (Bill C-9) received royal assent. Bill C-9, among other things, extends the Canada Emergency Wage Subsidy until June 30, 2021. For further information, please see the Department of Finance's [news release](#) and the [backgrounder on the Canada Emergency Wage Subsidy Extension](#).

<sup>4</sup> On August 20, 2020, the Minister of Finance [announced](#) the phase-out of the Canada Emergency Response Benefit and the introduction of three new temporary benefit programs: (1) the Canada Recovery Benefit, (2) the Canada Recovery Sickness Benefit and (3) the Canada Recovery Caregiving Benefit. On October 2, 2020, [Bill C-4, the COVID-19 Response Measures Act](#) (Bill C-4), received royal assent. Amongst other things, Bill C-4 enacts the *Canada Recovery Benefits Act* to authorize the payment of the Canada Recovery Benefit, the Canada Recovery Sickness Benefit and the Canada Recovery Caregiving Benefit. For further information, please see Employment and Social Development Canada's [news release](#) and the [backgrounder on the COVID-19 Response Measures Act](#).

<sup>5</sup> On August 20, 2020, the Minister of Finance [announced](#) the transition from the Canada Emergency Response Benefit (CERB) to Employment Insurance (EI). As part of the transition to EI, the Minister of Finance announced temporary amendments to the EI program. On September 25, 2020, the Government of Canada [announced](#) that the transition from the CERB to EI would begin on September 27, 2020. For further information, please see Employment and Social Development Canada's [Supporting Canadians Through the Next Phase of the Economy Re-opening: Increased Access to EI and Recovery Benefits](#) backgrounder.

<sup>6</sup> On August 26, 2020, the CRA [announced](#) that it will be introducing additional reporting for the T4 slip for the 2020 tax year. The additional reporting requirements will apply to all employers and will help the CRA validate payments under the Canada Emergency Wage Subsidy, the Canada Emergency Response Benefit and the Canada Emergency Student Benefit.

<sup>7</sup> See last page for Endnote 7.

<sup>8</sup> On November 25, 2020, the final [Regulation respecting measures related to supplemental pension plans to reduce the consequences of the public health emergency declared on 13 March 2020 due to the COVID-19 pandemic](#) (Regulation) was published in the *Gazette officielle du Québec*. The Regulation will come into force on December 10, 2020, with retroactive effect to June 15, 2020, except for the provisions pertaining to the degree of solvency to be used for certain payments out of defined benefit plans, which are retroactive to April 17, 2020 and the provisions regarding the extension of certain deadlines that are retroactive to March 13, 2020.

<sup>9</sup> On August 17, 2020, the Government of Quebec released [Information Bulletin 2020-11](#). Information Bulletin 2020-11 indicates that the Government of Quebec will adopt the Federal Minister of Finance's proposed amendments to the *Income Tax Regulations* announced on July 2, 2020, for the purpose of the Quebec taxation system. Additionally, Information Bulletin 2020-11 indicates that the *Regulation respecting the Taxation Act* will be amended to incorporate the proposed temporary amendments to the *Income Tax Regulations* relating to deferred salary leave plans, also announced by the Federal Minister of Finance on July 2, 2020. For further details on the federal draft regulations, please see our July 2020 Blakes Bulletin: [Draft Pension and Deferred Salary Leave Tax Regulations Released](#).

The logo for the law firm Blakes, featuring the word "Blakes" in a stylized, cursive script.

- <sup>10</sup> **NEW:** On December 2, 2020, Retraite Québec announced that the temporary easing measure of the rules for life income fund (LIF) withdrawals have been extended until December 31, 2021. For a description of the measure, please see Retraite Québec's Frequently Asked Questions on the Easing Measures.
- <sup>11</sup> June 3, 2020, the Alberta Superintendent of Pensions published EPPA Update 20-03 which outlines additional COVID-19 relief measures. Two *Employment Pension Plans Act* requirements have been temporarily modified: (a) the requirement for a witness signature on a spousal waiver form will continue but the signature is permitted to be delayed by up to 60 days, and (b) rather than 30 days advance notice to members of a change to member-required contributions, notice of the change must be issued within 60 days after implementation.
- <sup>12</sup> **NEW:** On December 9, 2020, Alberta's Bill 48, Red Tape Reduction Implementation Act, 2020 (No. 2) (Bill 48), received royal assent. Bill 48 amends the *Wills and Succession Act* to permit electronic beneficiary designations. For further information, please see Alberta Superintendent of Pensions EPPA Update 20-07.
- <sup>13</sup> On September 30, 2020, the Alberta Superintendent of Pensions published EPPA Update 20-06. EPPA Update 20-06 indicates that Employment Pensions has implemented revisions to its online filing site to allow for the online filing of a pension plan's audited financial statements, plan texts and amendments, and fundholder documents in accordance with the Employment Pension Plans Act and Employment Pension Plans Regulation. Effective October 1, 2020, these documents and associated forms and summaries or redline versions are now to be filed online, and not emailed or mailed to Employment Pensions.
- <sup>14</sup> On October 5, 2020, the Saskatchewan Superintendent of Pensions revoked the notice issued on April 16, 2020, with respect to a freeze on transfers or payments out of DB plans and issued a new notice: Freeze on Transfers or Payments out of Defined Benefit Plans is Modified: Consent is Given to Proceed with Most Transfers and Payments Subject to Conditions.
- <sup>15</sup> **NEW:** On December 18, 2020, the Government of British Columbia amended the *Pension Benefits Standards Regulation* to offer short-term funding relief to target benefit plans. For further information, please see Order in Council 649/2020 and British Columbia Financial Services Authority PENS 20-005, Target Benefit Provision for Adverse Deviation Exemption and Related Amendments.
- <sup>16</sup> **NEW:** On December 17, 2020, Manitoba's Special Payments Moratorium Regulation, M.B. Reg 142/2020 was registered, which permits a voluntary moratorium on unfunded liability and solvency deficiency payments for a 13-month period consisting of December 2020 and the 2021 calendar year. For further information, please see Office of the Superintendent – Pension Commission Update #20-02, Special Payments Moratorium Regulation and the Government of Manitoba's announcement.
- <sup>17</sup> On October 22, 2020, New Brunswick Regulation 2020-51 was filed to amend the *General Regulation* under the *Pension Benefits Act*. Among other things, New Brunswick Regulation 2020-51 makes the minimum withdrawal rate from Registered Retirement Income Funds the same as the minimum withdrawal rate in the *Income Tax Act* (Canada) to better align with the federal COVID-19 relief measures. For further information, please see the Financial and Consumer Services Commission of New Brunswick's news release, Amendments to the General Regulation under the Pension Benefits Act.
- <sup>18</sup> **NEW:** On December 15, 2020, Newfoundland & Labrador's Bill 54, An Act to Amend the Pension Benefits Act, 1997 (Bill 54) received royal assent. Bill 54 amends the *Pension Benefits Act, 1997* to permit the unlocking of pension benefits from a retirement savings arrangement for those experiencing financial hardship. Bill 54 comes into force on March 1, 2021.

<sup>7</sup> On June 18, 2020, FSRA updated its [Pension Sector Emergency Management Response Guidance](#) to provide details in respect of deadline extensions introduced in [O. Reg. 287/20](#) (amending the [General Regulation](#)) and [O. Reg. 288/20](#) (amending [O. Reg. 310/13](#), Asset Transfers Under Sections 80 and 81 of the Act). Q11 sets out the following charts:

Item	Current Deadline	New Deadline			
<b>Plan Amendment Valuation Report</b>	6 months after the date required for amendment to be submitted for registration	12 months if due date for amendment submission is on or after the day that is 6 months before <b>date filed</b> and before July 1, 2020	<b>Application to CEO consent for asset transfers</b>	9 months after effective date of transfer	12 months if due on or after date filed and before November 1, 2020
<b>Multi-Employer Pension Plan options when contributions not sufficient for benefits</b>	30 days after submitting to administrator and within 9 months of valuation date	30 days after submitting to administrators and within 12 months of valuation date if valuation date is December 31, 2019 or January 1, 2020			
<b>Plan establishment: valuation</b>	90 days	180 days if effective date is 90 days before <b>date filed</b> and on or before July 1, 2020	<b>Filings when asset transfer is completed</b>	60 days after transfer complete	120 days if due on or after <b>date filed</b> and before November 1, 2020
<b>Valuation Report</b>	9 months after valuation date	12 months after valuation date if valuation date is December 31, 2019 or January 1, 2020			
<b>Annual Information Return (AIR)</b>	6 months after plan fiscal year end for DC or 9 months for DB	December 31, 2020 if due on or after <b>date filed</b> and before December 31, 2020	<b>Complete transfer of assets after CEO consent</b>	120 days after consent	180 days if due on or after <b>date filed</b> and before November 1, 2020
<b>Wind Up Report and outstanding AIRs and post wind up AIR and financial statements</b>	6 months after effective date of wind up	9 months after effective date of wind up if effective date is on or after the day that is 6 months before <b>date filed</b> and before October 1, 2020			
<b>Annual wind up valuation review report</b>	6 months after valuation date	Earlier of 9 months after valuation date and December 31, 2020 if valuation date is on or after January 1, 2020 and before July 1, 2020	<b>Notice to members and others (defined benefit and defined contribution)</b>	6 months after effective date of transfer	9 months if due on or after <b>date filed</b> and before November 1, 2020
<b>Notice to members of plan amendments</b>	60 days after registration	120 days if due on or after <b>date filed</b> and before November 1, 2020			
<b>Member Annual Statements and Biennial statements to former and retired members</b>	6 months after plan fiscal year end	December 31, 2020 if due on or after <b>date filed</b> and before December 31, 2020 and FSRA is notified in advance that statements will be delayed			
<b>Financial Statements and Auditors Report if required</b>	6 months after plan fiscal year end	December 31, 2020 if due on or after <b>date filed</b> and before December 31, 2020			
<b>Investment Information Summary</b>	6 months after plan fiscal year end	December 31, 2020 if due on or after <b>date filed</b> and before December 31, 2020			
<b>Statement of Investment Policies and Procedures (SIPP) and SIPP Amendments</b>	60 days after registration of plan or amendment of SIPP	120 days if due on or after <b>date filed</b> and before November 1, 2020			

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