COVID-19: Pensions Regulatory Updates Across Canada

Federal

• Signatory to the 2020 Agreement Respecting Multi-Jurisdictional Pension Plans¹ (2020 Agreement)
• Office of the Superintendent of Financial Institutions (OSFI)
  - UPDATED: 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
• Canada Revenue Agency (CRA) (applicable to plans in all jurisdictions)
  - Waiver of 1% 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
  - UPDATED: Canada Emergency Response Benefit² and Canada Emergency Student Benefit
  - Canada Emergency Wage Subsidy³ and Small Business Employee Subsidy
  - NEW: Income Support Benefits⁴ and Employment Insurance amendments⁵
  - NEW: Additional reporting for the T4 slip⁶
  - 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
May 2020 Blakes Bulletin: Top 5 Employer Questions on the CERB
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
Ontario

- Signatory to the 2020 Agreement
- 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
- 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

Quebec

- Signatory to the 2020 Agreement
- Certain automatic deadline extensions
- Update to degree of solvency that must be taken into account for certain payments out of a DB plan
- Maintaining active membership despite a temporary suspension of accrued benefits
- Eliminating 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
- NEW: Recognition of proposed amendments to the Income Tax Regulations regarding RPPs for the purpose of the Quebec taxation system
- NEW: Harmonization with proposed amendments to the Income Tax Regulations regarding DSLPs

See our April 2020 Blakes Bulletin:
Quebec Announces Temporary Relief Measures for Supplemental Pension Plans During COVID-19

Ontario

- Signatory to the 2020 Agreement
- Province imposes 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
- 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

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:

May 2020 Blakes Bulletin:
Alert: FSRA Releases Approach to Limitations on Defined Benefit Committed Value Transfers and Annuity Purchases

June 2020 Blakes Bulletin:
Update No. 2: Considerations for Pensions and Benefits During COVID-19
Alberta
- 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

See our March 2020 Blakes Bulletin: Considerations for Pensions and Benefits During COVID-19

Saskatchewan
- Signatory to the 2020 Agreement
- New temporary but indefinite asset CV transfer rules, including DB portability freeze
- 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

See our April 2020 Blakes Bulletin: Update: Considerations for Pensions and Benefits During COVID-19
Manitoba
- Certain automatic deadline extensions
- Reminder of existing CV transfer rules
- Public health emergency leave of absence

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
- 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

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
1 On June 4, 2020, OSFI published an FAQ on the 2020 Agreement.

2 UPDATED: On August 20, 2020, the Government of Canada announced the extension of the Canada Emergency Response Benefit from 24 weeks to 28 weeks.

3 On July 27, 2020, Bill C-20, An Act respecting further COVID-19 measures (Bill C-20) received royal assent. For further information, please see our July 2020 Blakes Bulletins: Highlights: Proposed Changes to Canada Emergency Wage Subsidy and Government Proposes to Extend and Overhaul the Canada Emergency Wage Subsidy.

4 NEW: 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. 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.

5 NEW: On August 20, 2020, the Minister of Finance announced the transition from the Canada Emergency Response Benefit to Employment Insurance (EI). As part of the transition to EI, the Minister of Finance announced temporary amendments to the EI program. 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.

6 NEW: 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. 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.

7 On 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.

8 NEW: 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.

9 On 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.

10 On June 17, 2020, Order in Council 181/2020 was filed, which amends the Employment Standards (COVID-19 Leave) Regulation regarding variance and exemption re family leave.
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:

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