

**Tax**

|                                     | 1% Minimum Contribution Rule   | Period of Reduced Services  | Useful Links   |
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| <b>Registered Plans Directorate</b> | <p>Ordinarily, pursuant to paragraph 8506(2)(a) of the <i>Income Tax Regulations</i> (Canada) a money purchase (MP) or defined contribution (DC) provision must have terms that require employers to contribute at least 1% of the total pensionable earnings of all active members participating under the provision each year. The minimum contribution rule applies only to a MP/DC provision of a registered pension plan in which members' benefits are provided exclusively on a MP/DC basis.</p> <p>In light of the COVID-19 pandemic, the Minister of National Revenue will waive the 1% rule for the remainder of 2020 if the plan is amended to suspend contributions under the plan for the year, meaning that there will be no employer or employee contributions made to the plan or provision following the plan amendment.</p> <p>This measure only applies for the remainder of 2020 for plans that submit an amendment to the Registered Plans Directorate.</p> | <p>Pursuant to subsection 8308(4) of the <i>Income Tax Regulations</i> (Canada), a member of a defined benefit provision of a pension plan may be permitted the option to elect to have the eligible period of reduced pay credited as pensionable service under the plan, provided the election occurs by April 30th of the year following the year in which an eligible period of reduced pay ends.</p> <p>Similar rules apply under subsections 8308(5) and (6) of the <i>Income Tax Regulations</i> (Canada) for eligible periods of reduced pay under MP/DC provisions. When any of these Regulations apply, plan members can have the period recognized on a current service basis, so that employers can report the period by way of a pension adjustment (PA) rather than a past-service pension adjustment (PSPA).</p> <p>In light of the COVID-19 pandemic, the Department of Finance is proposing to extend the April 30, 2020 deadline to June 1, 2020, or a later date acceptable to the Minister of National Revenue, for eligible periods of reduced pay that ended in 2019.</p> <p>In accordance with the longstanding practice of the Canada Revenue Agency, the Registered Plans Directorate will allow plan sponsors and administrators to act on the proposed tax measures on the assumption that the legislation for these measures will be enacted. Plan members are permitted to make elections for 2019, subject to applicable plan terms, on or before June 1, 2020.</p> | <p>Registered Pension Plans (RPPs) -</p> <p><a href="https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/whats-new.html?utm_source=registered_plans&amp;utm_medium=eml#rpp">https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/whats-new.html?utm_source=registered_plans&amp;utm_medium=eml#rpp</a></p> <p>Newsletter no. 91-4R, Registration Rules for Money Purchase Provisions</p> <p><a href="https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/newsletters-technical-manual/no-91-4r.html">https://www.canada.ca/en/revenue-agency/services/tax/registered-plans-administrators/newsletters-technical-manual/no-91-4r.html</a></p> |

## Pension Standards

| Jurisdiction         | Extensions to Filing & Disclosure Requirements   | Commuted Value Transfers/Restrictions on Transfers   | Defined Benefit (DB) Funding & Defined Contribution (DC) Contribution Relief   | Electronic Communication & Electronic Signatures   | Useful Links  |
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| Federal <sup>1</sup> | Extension of three months: applies to deadlines for certain actions and annual filing requirements, such as filing of annual information returns, certified financial statements, actuarial reports and annual statements. | <p>Effective March 27, 2020, administrators of DB provisions of pension plans are directed to place a full freeze on portability transfers and annuity purchases (including those involving the wind-up of a plan after the approval of the termination report). Any amounts that were still in the pension fund on that date are subject to the portability freeze.</p> <p>Effective May 7, subject to certain conditions, automatic consent is provided respecting portability transfers to locked-in vehicles for members who are within 10 years of pensionable age (i.e., those eligible for early retirement).</p> | <p><i>DB Funding:</i> Effective May 27, 2020, the <a href="#">Solvency Special Payments Relief Regulations, 2020</a>, establish a moratorium on solvency special payments that become due during the period beginning on April 1, 2020 and ending on December 30, 2020. The regulations provide funding relief to plan sponsors whose pension plans have a solvency deficiency, and who are normally required to make monthly payments to fund the deficiency and/or address their obligations through the use of letters of credit.</p> <p>From May 27, 2020 until December 30, 2020, the amounts of any solvency special payments that become due are to be reduced to zero and will not become due after December 30, 2020 once the moratorium is lifted. The amounts of any solvency special payments made from April 1<sup>st</sup> until May 27<sup>th</sup> may be deducted from the plan's required current service (or normal cost) contributions and/or going concern special payments in the period beginning on May 27, 2020</p> | <p>Subsection 31.1(1) of the <i>Pension Benefits Standards Act, 1985</i> permits information, including required written statements and explanations, to be communicated by way of an electronic document, provided that certain requirements are met.</p> <p>The use of electronic signatures is permitted if: (1) the signature resulting from the use by the person of the technology or process is unique to them; (2) the technology or process is used by the person to incorporate, attach or associate their signature to the electronic document; and (3) the technology or process can be used to identify its user.</p> | <p>Office of the Superintendent of Financial Institutions (OSFI): <a href="https://www.osfi-bsif.gc.ca/Eng/pp-rr/Pages/default.aspx">https://www.osfi-bsif.gc.ca/Eng/pp-rr/Pages/default.aspx</a></p> <p>COVID-19 measures: <a href="https://www.osfi-bsif.gc.ca/Eng/pp-rr/ppa-rra/Pages/Pen20200327_let.aspx">https://www.osfi-bsif.gc.ca/Eng/pp-rr/ppa-rra/Pages/Pen20200327_let.aspx</a></p> <p><a href="https://www.osfi-bsif.gc.ca/Eng/pp-rr/Pages/PenFAQ_Cov.aspx">https://www.osfi-bsif.gc.ca/Eng/pp-rr/Pages/PenFAQ_Cov.aspx</a></p> <p><a href="#"><i>Solvency Special Payments Relief Regulations, 2020</i></a></p> <p><a href="https://www.canada.ca/en/department-finance/news/2020/05/government-announces-coming-into-force-of-regulations-providing-relief-to-federally-regulated-pension-plan-sponsors.html">https://www.canada.ca/en/department-finance/news/2020/05/government-announces-coming-into-force-of-regulations-providing-relief-to-federally-regulated-pension-plan-sponsors.html</a></p> <p><a href="https://www.osfi-bsif.gc.ca/Eng/wn-gn/Pages/pen20200528_nr.aspx">https://www.osfi-bsif.gc.ca/Eng/wn-gn/Pages/pen20200528_nr.aspx</a></p> |

<sup>1</sup> OSFI has also suspended a number of consultation initiatives and policy development work related to new or revised guidance until conditions stabilize.

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|  |  |  | and ending on December 30, 2020.  |  |  |
|  |  |  | <p><i>DC Contributions:</i> No relief measures announced – However, there is no prohibition under the <i>Pension Benefits Standards Act, 1985</i> or its regulations from reducing the level of contributions to a DC plan on a go forward bases as a result of a pension plan amendment. However, these amendments cannot be made retroactively and employers should consider restrictions under collective agreements and labour and employment law before proceeding with a reduction.</p> |  |  |

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| <b>Ontario<sup>2</sup></b> | <p>Extension of up to 60 days available upon request: applies to regulatory filings such as audited financial statements and valuation reports.<sup>3</sup></p> <p>Provided pension plan administrators have advised FSRA of the challenges they are experiencing and have set out reasonable proposed plan of action, administrative monetary penalties will not be levied with respect to late member communications that are due prior to September 1, 2020, or as otherwise agreed with a plan administrator or their agent.</p> <p>In preparing an actuarial valuation report, FSRA considers the market shock to be a subsequent event that provides additional information about the pension</p> | <p>When a pension plan's transfer ratio (TR) has declined by 10% or more and the resulting TR is below 0.9 (as described in s. 19(4) or (5) of the Regulation), the plan administrator must cease to transfer commuted values (CVs). The administrator (or its advisor) should explain the reasons for taking this approach and the factors that were considered (for example, infrequent terminations, liquidity considerations, balancing the interests of all plan beneficiaries, financial conditions of participating employers, etc.). In addition, the administrators should indicate: (i) how long the cessation of CV transfers is expected to continue, (ii) what communication is being made to plan beneficiaries, and (iii) what steps are being taken to</p> | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> No relief measures announced. However, to the extent that member contributions are optional, members can choose to reduce or eliminate those optional contributions in accordance with plan rules—and any matching employer contributions will then be reduced accordingly.</p> <p>Employers cannot simply stop making required contributions to DC pension plans that they participate in. Any change to employer or member-required contributions can only be on a go-forward basis and must</p> | <p>Plan administrators and their advisors are expected to understand the requirements of the <i>Pension Benefits Act (PBA)</i> as it relates to electronic communications. FSRA has no discretion over these requirements, and administrators should refer to the guidance provided by FSRA to sending notices outside of prescribed timelines. The filing of "certified copy" of a document, such as a plan amendment, can be made through the FSRA's Pension Services Portal and via email to the Pension Office for the plan.</p> <p>In certain situations where individuals cannot get a</p> | <p>Financial Services Regulatory Authority of Ontario (FSRA): <a href="https://www.fsrao.ca/">https://www.fsrao.ca/</a></p> <p>COVID-19 news: <a href="https://www.fsrao.ca/newsroom">https://www.fsrao.ca/newsroom</a></p> <p><a href="https://www.fsrao.ca/industry/pension-sector/guidance/pension-sector-emergency-management-response">https://www.fsrao.ca/industry/pension-sector/guidance/pension-sector-emergency-management-response</a></p> <p>Ontario Regulation 187/20: <a href="https://www.ontario.ca/laws/regulation/r20187">https://www.ontario.ca/laws/regulation/r20187</a></p> <p>FSRA's Approach Guidance No. PE0202APP: <a href="https://www.fsrao.ca/industry/pension-sector/guidance/pension-sector-emergency-management-response">https://www.fsrao.ca/industry/pension-sector/guidance/pension-sector-emergency-management-response</a></p> |
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<sup>2</sup> All pending transactions filed with FSRA such as pension asset transfers or wind up applications, will continue to be reviewed, although some delay is expected due to the current disruptions.

<sup>3</sup> If an extension of more than 60 days is required for an off-cycle valuation with an original due date in 2020, a request for an additional extension can be made by email describing the reason why an additional extension is required.

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|  | <p>plan, because the shock impacts the outlook for the funded status of the plan for a significant period following this event. FSRA expects disclosures as to the Impact on the funded status, including going concern, solvency, and wind up bases as well as the solvency and transfer ratios and impact on the required contributions to the pension plan in respect of the normal cost, going-concern and solvency special payments to be included in the valuation report based on any plausible adverse scenarios.</p> <p>Employers who submit late PBGF assessments that are due between April 30, 2020 and December 31, 2020 will be subject to 3% interest plus the chartered banks' rate on prime business loans as of the date the amount is due, on the condition that the employer pays the amount that is due to the PBGF with interest on or before December 31, 2020. (Ontario Regulation 187/20).<sup>4</sup></p> | <p>return to a situation where CV transfers can be made. FSRA may request additional information. (FSRA's Approach Guidance No. PE0202APP)</p> <p>For administrators who wish to purchase annuities pursuant to section 43 of the PBA, if section 19(4) or (5) of the Regulation apply, a Form 10 must be filed and the approval of FSRA must be received. FSRA will generally require employer(s) to contribute the full amount of any deficiency (based on the updated TR) before the purchase can be made.</p> | <p>be supported by an amendment to the plan text.</p> | <p>witness to sign required forms in the physical presence of a relevant person, FSRA has advised that it will not object to institutions and administrators proceeding without a witness for these forms while businesses are operating under COVID-19 pandemic conditions, as long as there is no evidence on record that the person(s) signing the forms does not understand what they are signing.</p> | <p><a href="https://www2.gov.bc.ca/gov2/industry/pension-sector/guidance/limitations-commuted-value-transfers-and-annuity-purchases-db-pension-plans#note18">ustry/pension-sector/guidance/limitations-commuted-value-transfers-and-annuity-purchases-db-pension-plans#note18</a></p> |
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<sup>4</sup> Otherwise, where a PBGF assessment is not paid on time pursuant to section 37 of Regulation 909 under the PBA (i.e., 9 months after the pension plan's fiscal year end), the employer will be required to pay 120 per cent of the past due amount, together with interest at the chartered banks' rate on prime business loans as of the date the amount is due plus 3 per cent.

**British Columbia**

Extension of 60 days is granted to pension plans required to provide members with annual statements and required to file their Annual Information Return and Financial Statements, between March 30, 2020, and December 29, 2020.

For pension plans, other than collectively bargained multi-employer plans (CBMEPs), the prescribed timeline for the delivery of termination of active membership statements remains unchanged (i.e., within 60 days after a member's termination). However, an administrator of a non-CBMEP may seek an extension for delivery of these statements upon application to the Superintendent detailing appropriate reasons for the application.

For pension plans that are CBMEPs, the prescribed timeline for delivery of termination of active membership statements is 90 days after a member's termination. For such plans that have a March 30, 2020 deadline, the relief measures provide a 30-day extension.

The deadline for the filing of actuarial valuation reports is extended by 90 days for reports with a review date of December 31, 2019, and/or a due date in 2020.

An administrator of a pension plan must not, without the consent of, or without being directed to do so by the Superintendent, transfer assets out of the pension fund, if such transfer would impair the solvency of the plan. It is the administrator's responsibility to determine whether a transfer would impair the solvency of the plan and restrict lump-sum transfers, where appropriate.

*DB Funding:* Extensions to the amortization periods for unfunded liabilities and/or solvency deficiencies are subject to approval from the Superintendent of Pensions. Administrators wishing to extend the deadline must make an application, in writing, to the Superintendent.

*DC Contributions:* No relief measures announced. However, a plan administrator may reduce the level of employer or employee contributions to a defined contribution plan by filing a pension plan amendment. These amendments cannot be retroactive.

During the COVID-19 pandemic period, contributions must be made based on earnings that reflect employees' current work schedule and in accordance with the plan text document.

BC Financial Services Authority:  
[https://www.bcfsa.ca/index.aspx?p=pension\\_plans/index](https://www.bcfsa.ca/index.aspx?p=pension_plans/index)

[https://www.bcfsa.ca/index.aspx?p=consumer\\_news/latest\\_news](https://www.bcfsa.ca/index.aspx?p=consumer_news/latest_news)

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| <p><b>Alberta</b></p>      | <p>Extension of 180 days for all pension plans—applicable to Annual Information Returns and associated Annual Fees, Audited Financial Statements, and/or Actuarial Valuation Reports and Cost Certificates, and required to issue annual statements to active or retired members, due between March 31 and prior to July 1, 2020.</p> <p>Extension of 90 days to issue a plan summary or member-driven event disclosure statements that are due between March 31 and prior to July 1, 2020.</p> | <p>Plan administrators are reminded that they must not transfer assets out of the pension fund, without the consent of, or without being directed to do so by, the Superintendent, if such transfer would impair the solvency of the plan.</p>   | <p><i>DB Funding:</i> Extensions to the amortization periods for unfunded liabilities and/or solvency deficiencies, as well as the deadline for the remittance of employer and employee contributions should be discussed on a case-by-case basis with the superintendent's office.</p> <p><i>DC Contributions:</i> No relief measures announced. See above for other regulator guidance respecting DC plan amendments.</p>  |  | <p>Pension Regulator:<br/> <a href="https://www.alberta.ca/pensions.aspx">https://www.alberta.ca/pensions.aspx</a></p> <p>COVID-19 news:<br/> <a href="https://www.alberta.ca/about-pensions-news-links.aspx">https://www.alberta.ca/about-pensions-news-links.aspx</a></p>  |
| <p><b>Saskatchewan</b></p> | <p>Extension of three months—applicable to pension plans that are required to file an Annual Information Return and provide members with Annual Statements, between March 31 and July 31, 2020. Plan administrators are expected to notify the plan members of the extension.</p>   | <p>Given the current financial market conditions, transfers or payments from defined benefit plans would impair the solvency of pension funds. Administrators must obtain the prior written consent of the Superintendent of Pensions (the Superintendent) to transfer monies or make payments out of defined benefit plans.<sup>5</sup></p> | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> No relief measures announced. - However, to the extent that member contributions are optional, members can choose to reduce or eliminate those optional contributions in accordance with plan rules – and any matching employer contributions will then be reduced accordingly.</p> <p>Employers cannot simply stop making required contributions to DC pension plans that they participate in. As a temporary measure, a plan amendment to suspend employer contributions would be allowed, where (1) an amendment filed provides that both employer and member contributions are suspended, (2) the amendment is on a go-forward basis only, and (3)</p> |  | <p>Financial and Consumer Affairs Authority:<br/> <a href="https://fcaa.gov.sk.ca/regulated-businesses-persons/businesses/pension-plans">https://fcaa.gov.sk.ca/regulated-businesses-persons/businesses/pension-plans</a></p> <p>COVID-19 news:<br/> <a href="https://fcaa.gov.sk.ca/whats-new/alerts/covid-19-alert">https://fcaa.gov.sk.ca/whats-new/alerts/covid-19-alert</a></p> |

<sup>5</sup> The freeze affects all life annuity purchases from a defined benefit plan. This includes individual purchases, group purchases and buy-out annuity purchases. The freeze does not, however, affect payment of pensions directly from pension plans.

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|                    |   |   | the amendment must set out the time period for the suspension. (ending no later than December 31, 2020)  |  |   |
| <b>Nova Scotia</b> | Extension to August 31, 2020 – applicable to Annual Information Returns and Audited Financial Statements that were due between March 31 and June 30, 2020.  |   | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> No relief measures announced. See above for other regulator guidance respecting DC plan amendments.</p>  |  | <p>Finance and Treasury Board:<br/> <a href="https://www.novascotia.ca/finance/en/home/pensions/default.aspx">https://www.novascotia.ca/finance/en/home/pensions/default.aspx</a></p> <p>COVID-19 news:<br/> <a href="https://www.novascotia.ca/finance/en/home/pensions/notices.aspx">https://www.novascotia.ca/finance/en/home/pensions/notices.aspx</a></p>                      |
| <b>Québec</b>      | <p>Extension of three months— applicable to deadlines for filing and providing certain documents members, including annual statement for members and beneficiaries, actuarial valuation reports, annual information return and financial reports.</p> <p>The extension applies to all the deadlines that had not expired by March 12, 2020, but which would have expired in 2020.</p> <p>Note, the deadline for sending a statement following cessation of active membership and the deadline for filing a transfer application have not been extended.</p> | <p>All payments (transfers and refunds) between April 17, 2020, and December 31, 2020, must take into account a degree of solvency that reflects the plans' current financial situation (i.e., degree of solvency updated on the last working day of the month preceding the date on which the value of the member's benefits was determined).</p> <p>The date used to calculate the value of the member's benefits is, most often, the date on which a person ended his or her active membership in a plan, the date of the transfer request for the value of the benefits or the date on which the person dies.</p> <p>However, if the date on which the value is determined is prior to April 1, 2020, the degree of solvency must be determined based on the plan's estimated financial situation as at March 31, 2020.</p> | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> Despite the current situation, deadlines for making payments into the pension fund (every month) and for notifying Retraite Québec of any unpaid contribution (within 60 days after it becomes due) have not been extended.</p> <p>No relief measures announced. See above for other regulator guidance respecting DC plan amendments.</p> |  | <p>Retraite Québec:<br/> <a href="https://www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx">https://www.retraitequebec.gouv.qc.ca/en/Pages/accueil.aspx</a></p> <p>COVID-19 news:<br/> <a href="https://www.retraitequebec.gouv.qc.ca/en/actualites/2020/Pages/liste-nouvelles.aspx">https://www.retraitequebec.gouv.qc.ca/en/actualites/2020/Pages/liste-nouvelles.aspx</a></p> |

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| <p><b>New Brunswick</b></p>         | <p>A 90-day extension has been granted for filing any Annual Information Returns and providing annual written statements to members, due prior to June 30, 2020.</p> <p>The time limit for filing any Actuarial Valuation Reports and Cost Certificates due to be filed prior to 30 September 2020 is extended by 90 days.</p> | <p>A recalculation of the transfer ratio or termination value funded ratio is required prior to the transfer of commuted values or transfer values from pension plans. The Superintendent has deemed it reasonable for pension plan administrators to monitor and, if necessary recalculate, these ratios on a quarterly basis.</p> | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> To the extent that member contributions are optional, members can choose to reduce or eliminate those optional contributions in accordance with plan rules – and any matching employer contributions will then be reduced accordingly.</p> <p>Employers cannot simply stop making required contributions to DC pension plans. Any change to employer or member-required contributions can only be on a go-forward basis and must be supported by an amendment to the plan text. If an employer would like to suspend contributions for the remainder of 2020, it can be done by filing a plan amendment on a go-forward bases.</p> |  | <p>Financial and Consumer Services Commission:<br/> <a href="https://fcnb.ca/en/personal-finance/pension-administrators">https://fcnb.ca/en/personal-finance/pension-administrators</a></p> <p>COVID-19 news:<br/> <a href="https://fcnb.ca/en/covid-19-update">https://fcnb.ca/en/covid-19-update</a></p> |
| <p><b>Newfoundland Labrador</b></p> | <p>An automatic extension to September 30, 2020 – applicable to Annual Information Returns that were/ are due between March 31 and August 31, 2020.</p> <p>Note, this extension does not apply to an Annual Information Return required on plan termination, which must be filed within 3 months of the wind-up date</p>       |   | <p><i>DB Funding:</i> No relief measures announced.</p> <p><i>DC Contributions:</i> No relief measures announced. See above for other regulator guidance respecting DC plan amendments.</p>  |  | <p>Pensions and COVID-19 news:<br/> <a href="https://www.gov.nl.ca/snl/pensions/">https://www.gov.nl.ca/snl/pensions/</a></p>  |