

## RADAR

October 5, 2023



### Message From the Editor

- This issue covers the two-week period from September 22, 2023 to October 5, 2023.
- This week we would like to highlight the introduction of British Columbia *Bill 33, Pension Benefits Standards Amendment Act, 2023*. Among other matters, if passed, this bill would expand the annuity discharge provisions available to defined benefit pension plans and allow variable life benefits to be provided under defined contribution pension plans.

### GENERAL

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#### Prince Edward Island – Minimum Wage

On October 4, 2023, Prince Edward Island announced that the minimum wage (currently \$15.00/hour) will increase to \$15.40/hour effective April 1, 2024, and \$16/hour effective October 1, 2024.

Source: [News](#)

### WEALTH SOLUTIONS

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#### All – OAS – Payment Amounts

The Old Age Security (OAS) payment amounts have been announced for the period October 2023 to December 2023.

Source: [Old Age Security payment amounts](#)

#### British Columbia – Miscellaneous

On October 4, 2023, *Bill 33, Pension Benefits Standards Amendment Act, 2023* received first reading.

Among other matters, the bill purports to amend the *Pension Benefits Standards Act* (PBSA) to provide for the following:

- **Annuity Discharge** – expand the annuity discharge provisions in an ongoing plan when an annuity has been purchased under certain conditions for:
  - the surviving spouse of a deceased member who is entitled to a benefit under the defined benefit provision and who is not receiving a pension under the defined benefit provision
  - an active member who is entitled to a benefit under the defined benefit provision and has ceased accruing benefits under the defined benefit provision

[Note: The PBSA currently provides for a discharge in an ongoing plan, when an annuity has been purchased with respect to a deferred vested member or a person receiving a pension under the plan.]

- **Pre-Retirement Death Benefits**
  - removes the ability of a plan text to force the surviving spouse of a deceased member to transfer their entitlement out of the plan (because they are the surviving spouse)
  - requires additional information to be included on spousal waiver forms, including but not limited to:
    - state that the spouse is aware of the spouse's entitlement
    - waive that entitlement, and
    - be signed by the spouse, before the member's death, in the presence of a witness and outside the presence of the member
- **Variable Life Benefits (VLBs)** – allow for the provision of VLBs under defined contribution (DC) plans (regulations will be developed in 2024 in consultation with Finance Canada and other pension regulators; British Columbia joins Saskatchewan, Quebec and the federal government in updating pension standards to allow VLBs to be offered from DC plans)

- **DC plan contributions** – allow DC plans to increase member contributions in accordance with a method set out in the plan text:
  - if the employee or member receives the prescribed notice, and
  - if the employee or member does not, opt out within the prescribed period after receiving that notice
- **Registered Retirement Income Funds (RRIFs)** – allow for the transfer of lump sum payments to RRIFs
- **Collectively Bargained Multi-Employer Plan** – allow collectively bargained multi-employer plan to set a specific membership condition

The bill also makes consequential amendments to the *Family Law Act* and the *Pooled Registered Pension Plans Act*.

Source: [News Release](#)

[Bill 33, Pension Benefits Standards Amendment Act, 2023](#)

## Ontario – JSPPs – Conversions

On October 3, 2023, Ontario Regulation 319/23 was filed. This regulation amends Ontario Regulation 311/15 under the Pension Benefits Act (Conversions and Transfers of Assets under Section 80.4 of the Act and Conversions under Section 81.0.1 of the Act), that relates to the conversion of pension plans to jointly sponsored pension plans (JSPPs).

The regulation:

- expressly empowers the CEO of the Financial Services Regulatory Authority of Ontario (FSRA) to request copies of any consent forms received from members or any trade unions that represent members of the single employer pension plan as well as any objection forms received from former members, retired members or other persons entitled to benefits under the single employer pension plan related to the conversion
- provides pension plan administrators with more time to file, with FSRA, conversion actuarial cost certificates in certain circumstances and to

provide certification of how member consent conversion thresholds have been met, instead of copies of consent/objection forms

The regulation is effective January 1, 2024.

Source: [Ontario Regulation 319/23](#)

## Ontario – JSPPs and SOMEPPs

On October 3 2023, filed the following amendments to Regulation 909 under the *Pension Benefits Act*:

### Ontario Regulation 320/23 – Jointly Sponsored Plans (JSPPs)

- currently, certain JSPPs are temporarily exempt from the solvency funding concerns test; this exemption provides that these JSPPs are only required to file their valuations once every three years, regardless of their solvency funded status
- this exemption was set to expire on January 1, 2024
- the regulation extends this temporary exemption to January 1, 2025, to provide additional time to bring forward a proposal for a new permanent funding concerns test

### Ontario Regulation 321/23 – Specified Ontario Multi-Employer Pension Plans (SOMEPPs)

- SOMEPPs that can reduce benefits, have been subject to temporary rules since 2007, including an exemption from solvency funding
- the intent was for these plans to operate under temporary rules until a permanent framework for target benefit pension plans could be implemented
- these rules were set to expire on January 1, 2024
- this regulation extends these temporary rules to January 1, 2025, as an interim step, to allow for the completion of the target benefit consultation process (commenced March 2023) and development of the target benefit regulatory regime

Source: [Ontario Regulation 320/23](#)

[Ontario Regulation 321/23](#)

## Contact Us

If you would like further information on any of these topics, please contact your Aon consultant at [canada.retirement@aon.com](mailto:canada.retirement@aon.com).

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