

Pension Plans

BCFSA's regulatory priorities for B.C. pension plans are categorized into two main initiatives: (1) Effective Oversight and (2) Emerging Risks. The graphic below outlines BCFSA's anticipated regulatory priorities over the next three fiscal years, and identifies priorities from the previous year for which work is ongoing. Items in Year 1 identify the quarter in which a consultation, publication or implementation is expected to occur. For Years 2 and 3, the graphic notes that BCFSA anticipates doing work on the priority during the year with the specific quarter to be named later. Among several updates planned to ensure effective oversight of B.C. pension plans, BCFSA will also update its Risk-Based Supervision Framework for Pension Plans.

BCFSA is an active participant in the Canadian Association of Pension Supervisory Authorities ("CAPSA"), an association of Canadian pension regulators. The mandate of CAPSA is to facilitate an efficient and effective pension regulatory system in Canada.

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|---|----------------------|---------------------|--------------------|----------------------|-----------------------|-----------------------|
| | Consultation | Implementation | Publication | | | |
| | | | ● | | | |
| | YEAR 1 FY 2022/23 | | | YEAR 2 FY 2023/24 | YEAR 3 FY 2024/25 | |
| Topic | | | | | | |
| Previous Year's Items in Progress | Q1 Apr 1-Jun 30 | Q2 Jul 1-Sept 30 | Q3 Oct 1-Dec 31 | Q4 Jan 1-Mar 31 | Q1-Q4 Apr 1-Mar 31 | Q1-Q4 Apr 1-Mar 31 |
| Information Security Guideline | | | | | | |
| Effective Oversight | | | | | | |
| Disclosure Requirement | ● | | | | | |
| Revision to Pension Plan Membership Data | | | ● | | | |
| Multi Employer Pension Plan - Best Practices | | | | ● | | |
| Update Risk-Based Supervision Framework for Pension Plans | | | | | ● | |
| Emerging Risks | | | | | | |
| Information Security Incident Reporting | | | | | | |
| Anti-Money Laundering | | | | | | |
| Natural Catastrophe and Climate Risk | | | | | | |

DETAILED SUMMARY OF REGULATORY PRIORITIES

Effective Oversight

BCFSA oversees the administration and enforcement of the Pension Benefits Standards Act (“PBSA”) and the Pension Benefits Standards Regulation (“PBSR”). As part of its oversight responsibilities, BCFSA ensures that there is an appropriate regulatory framework in place to oversee pension plan members and beneficiaries in a comprehensive and forward looking way.

Disclosure Requirements. BCFSA will provide information on the communication and disclosure requirements for plan administrators, including legislative timelines to ensure effective communication with members. This requirement is targeted for release in Q1 FY 2022/23.

Revision to Pension Plan Membership Data. BCFSA will provide information regarding upcoming changes to the information requirements for membership data that must be submitted when filing the pension plan Annual Information Report (“AIR”). This information is targeted for release in Q3 FY 2022/23.

Multi-Employer Pension Plan - Best Practices. BCFSA will outline best practices for multi-employer pension plans (“MEPPs”) in B.C. This information is targeted for release in Q4 FY 2022/23.

Update Risk-Based Supervision Framework for Pension Plans. This Guideline will update the Risk-based Supervision Framework document published in 2014. The document describes the principles, concepts, and core processes that make up our Risk-Based Regulatory Framework. Ongoing updates to the supervision framework for pension plans helps maintain public confidence in the regulatory oversight of plans in B.C. This Guideline is targeted for release in FY 2023/24.

Emerging Risks

BCFSA closely monitors current and emerging risks that have the potential to have a material impact on pension plans and plan members. Based on continuous risk monitoring, including surveys and data calls, BCFSA will consider how to respond and whether new initiatives are required.

Information Security Incident Reporting. Reporting of material information security incidents in a timely manner is of critical importance for BCFSA. As part of its consultation on an information security incident reporting rule, BCFSA received feedback that before proceeding to a rule, there should be sufficient time for all financial institutions to implement and demonstrate compliance with existing expectations contained in BCFSA’s recently released [Information Security Guideline](#). In recognition of this and other feedback, BCFSA plans to revisit its guidance and expectations for the reporting of information security incidents beginning in Q3 FY 2022/23.

Anti-Money Laundering. BCFSA will continue with its efforts to strengthen B.C.’s Anti-Money Laundering (“AML”) regime and consider a cross-sector response to the final report of the Cullen Commission of Inquiry into Money Laundering in B.C. which is expected to be released in FY 2022/23. Depending on the outcomes of the Cullen Commission, engagement on enhanced guidance could occur in Q4 FY 2022/23.

Natural Catastrophe and Climate Risk. The impact of natural catastrophes including earthquakes, floods and wildfires pose a significant risk to the financial services sector in B.C. BCFSA will outline its proposed approach to managing natural catastrophe and climate risk for the financial services sector in a discussion paper in Q4 FY 2022/23, followed by consideration of necessary regulatory instruments.