

Regulatory statement

BILL 33-2023: Further Details on Annuity Discharge and Other Changes to Pension Benefits Standards Legislation

Regulatory Statement Number	26-028
Legislation:	Pension Benefits Standards Act Pension Benefits Standards Regulation
Date:	September 21, 2026
Distribution:	Pension plan administrators and service providers

PURPOSE

This regulatory statement sets out the Superintendent of Pensions' (Superintendent) interpretation of selected amendments to the Pension Benefits Standards Act (PBSA) and the Pension Benefits Standards Regulation (PBSR) introduced by [Order in Council \(OIC\) No. 153/2026 \(BC Reg 62/2026\)](#) (OIC) and [Bill 33-2023](#), and outlines the Superintendent's related expectations.

BACKGROUND

Further to [Advisory #26-016](#) issued on April 24, 2026, the OIC brings into force amendments made by Bill 33-2023 which reduce administrative burden, address policy issues, and make technical corrections and clarifications to the PBSA. The OIC also makes related and housekeeping amendments to the PBSR.

This regulatory statement is not a comprehensive summary of Bill 33 or the OIC amendments, nor does it replace a full review of the applicable legislation. The PBSA and PBSR remain the authoritative source for legislative requirements.

Some amendments came into force on April 30, 2026, while others that require changes to plan documents and administrative processes come into force on October 30, 2026.

REQUIREMENTS

Effective April 30, 2026

Plans for specified individuals (PBSA section 3 and PBSR sections 12 and 145)

Plans for specified individuals (PSIs) are not required to register with BCFSa or to make required filings such as actuarial valuation reports and annual information returns. PSIs are exempt from contribution requirements effective April 30, 2026, in accordance with section 145 of the PBSR.

Defined benefit plan terminal funding obligations (PBSR section 132)

A separate regulatory statement on this topic will be issued shortly.

Target benefit funded ratio (PBSA section 69(7) and PBSR sections 1(1) and (4))

The PBSA amendments clarify that the target benefit funded ratio applies to all commuted values determined under target benefit provisions, including unlocked benefits. The definition has been moved to section 1(4) of the PBSR.

Classification: **Public**

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Effective October 30, 2026

Auto-enrollment and auto-escalation (PBSA sections 29(2)(b) and (2.1) and PBSR section 25)

A separate regulatory statement on this topic will be issued shortly.

Options for pre-retirement survivor benefits (PBSA sections 79 and 89 and PBSR section 82)

Generally, under the revised section 79 of the PBSA, if a member dies before commencing a pension under a plan provision, the plan is required to provide the surviving spouse with the option to elect a pension, subject to two exceptions:

- if the only entitlement is under a defined contribution provision, in accordance with section 89(1) of the PBSA
- if the commuted value of a benefit formula entitlement does not exceed the threshold prescribed in section 82 of the PBSR of 20 per cent of the year's maximum pensionable earnings for the calendar year of the most recent commuted value determination, in accordance with section 89(2) of the PBSA

Annuity discharge (PBSA section 89.1 and PBSR section 83)

Amendments to section 89.1 of the PBSA expand the categories of individuals for whom an annuity purchase in respect of defined benefits can be made from an ongoing plan that qualifies for a statutory discharge. These now include:

- surviving spouses of deceased members who are entitled to a defined benefit and have not commenced a pension
- active members who are entitled to a defined benefit but are no longer accruing benefits (i.e. defined benefits are frozen)

For clarity, an annuity purchase discharge does not apply to active members whose defined benefit service accruals have ceased but whose benefits may continue to grow, for example, due to increases in earnings under a final-average earnings benefit formula.

Section 83(6) of the PBSR prohibits the administrator from purchasing an annuity for an active member who may become eligible to elect a commuted value transfer in the future (e.g. if the member is under age 55), unless the member provides written consent before the purchase.

Before the assets may be transferred for an annuity purchase, contributions may be required under section 83(1) and (2) of the PBSR to ensure that the solvency ratio of the defined benefit component of the plan meets the applicable minimum threshold immediately after the annuity purchase. The required threshold is determined based on the plan's solvency ratio prior to the annuity purchase, as shown in the table below:

Solvency ratio prior to annuity purchase	Minimum post-purchase solvency ratio
Less than 0.85	0.85
Greater than or equal to 0.85 and less than 1	Same solvency ratio as before the purchase
1 or greater	1

The contributions required to meet these thresholds are determined using the solvency ratio determined in the most recently filed actuarial valuation report. However, the Superintendent may permit the use of a more recent cost certificate to determine the solvency ratio and required contribution.

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For the purpose of administering the PBSA and PBSR, plan administrators are expected to notify the Superintendent within 30 days following an asset transfer for an annuity purchase with the following information:

- date of the annuity purchase
- name of the annuity provider
- number of annuitants, broken down by category (i.e. deferred entitlements (deferred members and surviving spouses), active members, pensioners)
- solvency ratio prior to the annuity purchase
- solvency ratio immediately after the annuity purchase
- amount of any top-up contribution required to satisfy conditions under section 83 of the PBSR
- annuity purchase price

ADDITIONAL INFORMATION

For questions, please email pensions@bcfsa.ca or phone 604-660-3555.