

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 649

, Approved and Ordered December 18, 2020



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, is amended as set out in the attached Appendix.



Minister of Finance



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Pension Benefits Standards Act*, S.B.C. 2012, c. 30, s. 133

Other: OIC 219/2015

R10465943

## APPENDIX

- 1 *Section 10 of the Pension Benefits Standards Regulation, B.C. Reg. 71/2015, is amended by adding the following subsection:*
  - (16) A target benefit component of a pension plan to which Schedule 9 applies and a plan contributor, as defined in that Schedule, are exempt from the provisions of the Act and this regulation as set out in Schedule 9, to the extent and on the conditions specified in that Schedule.
- 2 *Sections 45 (5) and 58 (10) are amended by striking out “negotiated cost plan” and substituting “pension plan”.*
- 3 *Section 58 (11) (b) (i) is amended by adding “if any,” after “the applicable collective agreement,”.*
- 4 *Section 61 (2) (f) (i) (C) and (ii) (C) are amended by striking out “defined component” and substituting “defined benefit component”.*
- 5 *The following Schedule is added:*

### SCHEDULE 9

(section 10 (16))

#### PROVISION FOR ADVERSE DEVIATION EXEMPTION FOR TARGET BENEFIT COMPONENTS

##### Definitions

- 1 In this Schedule:
  - “**exemption period**”, in relation to a target benefit component for which an election is made under section 2, means the period
    - (a) beginning on the review date specified in the written notice of election, and
    - (b) ending on the day before the following review date;
  - “**plan contributor**”, in relation to a pension plan for which an election is made under section 2, means the plan contributor as defined in section 56 of this regulation that is required under the Act to make contributions to the plan.

##### Election

- 2 (1) Subject to this Schedule, the administrator of a pension plan may elect, in respect of a review date of the plan, to have a plan contributor exempted from the requirement to make the payments to the plan that are required under section 58 (2) (b) of this regulation in respect of the plan’s target benefit component.
- (2) The administrator may make an election under subsection (1) by
  - (a) providing to the superintendent a written notice of election in the form and manner required by the superintendent,

- (b) specifying in the written notice of election a review date of the plan falling on or after December 31, 2019 and before December 31, 2022, and
- (c) submitting, together with the written notice of election, any other information or records required by the superintendent.

**Exemption**

- 3** (1) On the conditions set out in section 4 and subject to subsection (2) of this section, if the administrator of a pension plan makes an election under section 2, the plan and plan contributor are exempt from
- (a) sections 45 and 52 (2) of the Act, and
  - (b) section 58 (2) (b) of this regulation.
- (2) The exemptions under subsection (1) apply during the exemption period to any payments referred to in section 58 (2) (b) of this regulation that the plan contributor would otherwise be required to make in relation to the pension plan for which an election is made under section 2 of this Schedule.

**Conditions of exemption**

- 4** The exemptions under section 3 are made on the following conditions:
- (a) subject to paragraph (b), the administrator discloses the fact of the exemption from the requirements under section 58 (2) (b) of this regulation to
    - (i) active members, in the annual statement required under section 30 of this regulation, and
    - (ii) persons who are receiving pensions, in the annual statement required under section 31 of this regulation;
  - (b) the disclosure referred to in paragraph (a) must be made for each fiscal year that is after the fiscal year in which the election is made under section 2 and that includes any portion of the exemption period;
  - (c) despite section 58 (8) of this regulation, the participating employer does not amend the plan text document to improve benefits under the target benefit provision during the exemption period, unless the benefit improvement is required to comply with the Act or the *Income Tax Act* (Canada).