



SECTION: Interest
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Regulation 629/92 Explanatory Notes

Regulation 629/92 was filed on October 9, 1992 and was in force as of that date. The Regulation was published in the Ontario Gazette dated October 24, 1992. The following was changed by the Regulation:

Credited interest

Where less than 100 percent of the commuted value of benefits is initially transferred, interest on the balance must be credited at the rate used to calculate the commuted value (subsection 16(7a)).

A pension plan cannot specifically provide that the manner in which interest is credited be the lower of the five-year term deposit rate and the fund rate of return. Interest must be calculated at least annually (subsections 21(2) and (2a)).

Lump sum amounts must be credited with interest at the same rate used to credit interest on member contributions from the member's date of termination to the beginning of the month of payment (subsection 21(10)).

Commuted values must be credited with interest at the rate used to calculate the commuted value. Interest is to accumulate from the date of termination, or the date of wind-up, to the beginning of the month of payment (subsections 21(10a) and (11)).