



SECTION: Refund of Contributions to Plan Members

INDEX NO.: R400-107

TITLE: Locking-in Provisions - Prior Consent of the Commission Required for Refunds,
PBA 1990 ss. 63(7) and (8)

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Pension Funds are Locked-In Under Section 63

Prior Consent of the Commission is Required for Refunds of Member Contributions or Deemed Additional Voluntary Contributions

It has come to the attention of PCO staff that, in a few instances, contrary to the locking in provisions of the *PBA*, administrators have allowed the refund of member contributions. Such refunds are not permitted without first obtaining the prior consent of the Commission as required under subsections 63(7) and (8) of the Act,

"(7) Despite subsection (1), on application by the administrator, contributions may be refunded to a member or a former member with the consent of the Commission.

(8) On application by the administrator of a pension plan, the Commission may consent to a refund under subsection (7) if the pension plan provides or has been amended to provide for the refund and the employer has assumed responsibility for funding all pension benefits associated with the contributions."

Administrators are also reminded that if a plan has been amended to deem required contributions to be additional voluntary contributions, the requirements of subsection 63(8) will apply. An application to the Commission for its consent in accordance with subsection 63(7) must be made at the time the plan is so amended. Please refer to the policies and procedures titled *Applications to the Commission - Consent to a Refund* (R400-100) and those dealing with the refund of AVCs to active members (R400-106).

See also Policies R400-100, R400-106.