

Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

Regulation Changes to the Pension Benefits Guarantee Fund (PBGF)

The Plan for Care and Opportunity Act (Budget Measures), 2018 made two significant changes to coverage under the PBGF:


- It removed the age and years of employment or membership requirements that must be met for a person's benefits to be guaranteed under the PBGF, if the pension plan is wound up on or after May 19, 2017.
- It increased the PBGF's maximum monthly guarantee from \$1,000 per month to \$1,500 per month for plans with a wind-up date on or after May 19, 2017.

Regulation 250/18, which amended Regulation 909, sets out the new funding framework for defined benefit single employer pension plans. As part of the new framework, changes were made to the assessment structure of the PBGF to fund the increase in the PBGF coverage. The new assessment structure comes into effect on January 1, 2019.

The changes to the assessment structure for pension plans covered under the PBGF (with assessment dates on or after January 1, 2019) are as follows:

- The elimination of the basic \$5 assessment per Ontario plan beneficiary (active members, former members, retired members and other beneficiaries) and the \$250 minimum assessment per plan.
- An increase to the maximum assessment per Ontario plan beneficiary in under-funded pension plans from \$300 to \$600.
- A 50 per cent increase to the rates applied to the PBGF assessment base.
- The introduction of an assessment component equal to 0.015 per cent of a plan's PBGF liabilities (i.e., solvency liabilities in respect of Ontario plan beneficiaries).
- For employers that had previously elected to exclude all plant closure benefits and permanent layoff benefits in calculating solvency liabilities, the plant closure/permanent layoff benefits assessment component will increase by 50 per cent.

These changes will apply to pension plans that provide defined benefits and are not exempt from PBGF coverage, including those pension plans registered in other Canadian jurisdictions that have Ontario plan beneficiaries.

For more details, including specific assessment rates, refer to section 37 of [Regulation 909](#) .

Transition Rules for PBGF Assessments

The changes to the assessment structure will apply to plans with respect to PBGF assessment dates on and after January 1, 2019. The assessment date, which is defined in section 37 of Regulation 909, is the date nine months after the fiscal year end of the pension plan.

Plans filing with respect to an assessment date prior to January 1, 2019, should continue to use the current [PBGF Assessment Certificate \(Form 2.1\)](#) electronically via FSCO's Pension Services Portal (PSP).

Plans with an assessment date on or after January 1, 2019 will need to complete the new [PBGF Assessment Certificate \(Form 2.2\)](#). Size: ## kbThis link is to a sample form.

Form 2.2 will be available on the PSP as of January 2019. If such a plan files early using the old Assessment Certificate (Form 2.1), it will be required to refile using the new Assessment Certificate (Form 2.2) and pay any difference (or receive a refund) between the assessments, as the case may be.

If more time is needed to file using the new form, administrators can apply for an extension of up to 60 days through the PSP.

See also [Frequently Asked Questions](#).