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Other Changes to the Regulation - O. Reg. 239/09

Archived Content

The following content was archived on **February 22, 2019**, and is provided for historical reference. Information is subject to change and may no longer be accurate.

In addition to the temporary solvency relief measures contained in Regulation 239/09, the following changes have been made.

Retroactive Use of Revised Commuted Value Standard for Solvency Valuations

The revised Standard of Practice for Pension Commuted Values (Section 3800) published by the Canadian Institute of Actuaries, which took effect April 1, 2009, may be used for the purpose of a solvency valuation with a valuation date on or after December 12, 2008.

Contribution Holidays

For plan fiscal years ending between June 30, 2010 and December 31, 2012, contribution holidays are not permitted unless an actuarial cost certificate demonstrating that the plan has sufficient funding excess to pay all or a portion of the normal cost for the year is filed with the Superintendent within 90 days of the beginning of the fiscal year. More information is available at Contribution Holidays - Questions & Answers.

Based on the amounts determined in the actuarial cost certificate as at the beginning of the plan's fiscal year, the maximum amount of funding excess available to reduce contributions for the year will be the lesser of:

- the amount by which the going concern assets exceed the sum of the estimated going concern liabilities and the prior year credit balance; and
- the amount by which the solvency assets exceed the sum of the estimated solvency liabilities and the prior year credit balance.

The actuarial certificate must contain:

- An estimate of the normal cost for the fiscal year of the plan commencing on the valuation date of the certificate.

- An estimate of the total employee contributions to the plan to be made during the same period.
- The going concern assets, estimated going concern liabilities, solvency assets and estimated solvency liabilities, each determined as of the valuation date of the certificate.
- The prior year credit balance.
- The estimated transfer ratio, calculated using the solvency assets and estimated solvency liabilities determined in the certificate.

Transfer Ratio and the Payment of Commuted Values

Section 19(5) of Regulation 909 has been revoked and replaced. It now requires the prior approval of the Superintendent to transfer any part of the commuted value where the transfer ratio is less than one and the administrator knows or ought to know that, since the last valuation report, the transfer ratio has declined by 10 per cent or more.

Section 19(6) has been amended so that it is now subject to subsection 19(4) and the new subsection 19(5).

Solvency Relief Questions Answered