



SECTION:	Pension Benefits Guarantee Fund (PBGF)
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Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 ("FSCO Act"), Pension Benefits Act, R.S.O. 1990, c. P.8 ("PBA") or Regulation 909, R.R.O. 1990 ("Regulation"), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fsrao.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link on the left side of each page.*

If a pension plan provides for a defined benefit past service entitlement and a defined contribution current service entitlement with a minimum defined benefit guarantee, is it acceptable to ignore the past service liabilities and the assets associated with those liabilities when determining PBGF liabilities and the PBGF assessment base?

It is not acceptable to ignore the past service liabilities and the assets associated with those liabilities. In the event that the pension plan is wound up and the Superintendent of Financial Services makes a declaration under section 83(1) of the PBA, amounts guaranteed by the PBGF would be determined in accordance with sections 34(5) and (6) of the Regulations. Consequently, the method of determining the PBGF liabilities and the PBGF assessment base under a hybrid plan should be consistent with the method identified under sections 34(5) and (6). The fact that the past service and current service portions of the plan may be administered separately has no impact on the requirement to identify all plan liabilities and assets with respect to the Ontario beneficiaries.