

BULLETIN NUMBER:	PENS-12-001
TITLE:	PASSAGE OF BILL 38 – REVISION TO THE <i>PENSION BENEFITS STANDARDS ACT</i>
LEGISLATION:	PENSION BENEFITS STANDARDS ACT [RSBC] CHAPTER 352
DATE:	JUNE 2012

PURPOSE

The purpose of the bulletin is to advise the public on the passage of Bill 38, the revised *Pension Benefits Standards Act*, by the BC Government on May 31, 2012.

The revised legislation is not in force and its provisions cannot be applied.

Bill 38 will come into force when the accompanying Regulations are written and proclaimed into law by the Lieutenant-Governor of British Columbia.

BACKGROUND

The revisions to the BC *Pension Benefits Standards Act* will:

- Modernize and streamline the regulation of pension plans in BC;
- Provide for immediate vesting of members' pension rights;
- Introduce more flexible pension plan structures, including new target benefit plans;
- Require that plan administrators have governance policies for their plans;
- Require funding policies for defined benefit plans and target benefit plans;
- Improve disclosure requirements for plan members;
- Create uniformity and consistency for the design of plan documents;
- In certain prescribed circumstances, allow former members to access their locked-in pension funds in circumstances of financial hardship;

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- Enable the Superintendent to apply administrative penalties for non-compliance with the legislation;
- Allow members to suspend their membership in a plan;
- Distinguish between collectively bargained multi-employer plans and non-collectively bargained multi-employer plans, and between actuarial excess and surplus;
- Allow plan administrators to establish solvency reserve accounts for solvency deficiencies;
- Empower the Superintendent to directly appoint a plan administrator or designate an actuary;
- Permit the refund of optional ancillary contributions by members;
- With the Superintendent's consent, permit a plan to continue with no active members;
- Allow plans to force out small member accounts;
- Create new innovative frameworks for jointly sponsored pension plans and multi-jurisdictional plans; and
- Give deferred members and, in certain prescribed circumstances, retired members, an opportunity to select portability options on plan termination.

CONTACT

Updates on the progress of Bill 38, the revised *Pension Benefits Standards Act*, will be posted on the Financial Institutions Commission's website at <http://www.fic.gov.bc.ca/>

If there are any specific questions about this bulletin, please contact Pensions Department staff at Pensions@ficombc.ca.