



SECTION: Funding of Plans
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See also F800-050

Solvency Regulation Impacts AIR Filings

O. Reg. 712/92 also impacts all pension plans with fiscal years ending on or after November 26, 1992.

New subsection 18(1) requires that Administrators of pension plans shall file the Annual Information Return required under section 20 of the Pension Benefits Act in the manner as described below for plans providing defined contribution benefits and any other plan.

Filing Date Requirements

In the case of plans providing only defined contribution benefits, the filing requirement and fees payable remains as not later than 6 months after the fiscal year end of the plan.

In the case of any other plan, the filing requirement and fees payable have been changed from 6 months to 9 months after the fiscal year end of the plan. For a summary of filing requirements under the Solvency/PBGF Regulations please refer to page 9 in the March 1993 *PCO Bulletin*, indexed as F800-050.

Impact of Regulation on Financial Statement and SIP&G Filing Requirements

On October 9, 1992 O. Reg. 629/92 amending Regulation 909/90 was filed.

The regulation introduced new filing requirements at the effective date of plan wind up such that an Administrator is now required to prepare financial statements for the pension fund or plan at the effective date of plan wind up for the period from the most recent plan fiscal year end to the effective date. Furthermore, these financial statements must be filed with the PCO within six months after the effective date of plan wind up.

As well, the regulation requires the plan administrator to review the Statement of Investment Policies and Goals ("SIP&G")

and file any confirmations or amendments under section 64. If applicable, the Administrator shall file any amendment to the SIP&G within ninety days after the adoption of the amendment.

Impact of Solvency Regulation on Financial Statement Filing Requirements

On November 26, 1992 O. Reg. 712/92 amending Regulation 909/90 was filed.

Under the former regulation, the threshold for requiring audited financial statements was \$1,000,000 in market value of assets or membership criteria of 50 or more members.

O. Reg. 712/92 changed that threshold requirement for plans to \$3,000,000 in market value of assets only. The membership criteria was eliminated to ease the financial and administrative burden on smaller pension plans.

This change affects all pension plans with a fiscal year end on or after November 26, 1992. Since the majority of pension plans have fiscal years based on the calendar year, most plans are affected by the new regulation.

Impact of Solvency Regulation on PBGF Assessments

Pension plans providing defined benefits that are subject to coverage by the Pension Benefits Guarantee Fund ("PBGF") are advised that the assessment date for these plans has been changed from 6 to 9 months after the fiscal year end of the plan.

As well, the regulation provides for changes related to PBGF coverage and levies. For more details on coverage and new levies on portions of the PBGF Assessment base please refer to the article *Highlights from Ontario Regulation 712/92 - Regulation...Concerning Solvency Valuation and PBGF Coverage* in this issue of the *PCO Bulletin* on page 4 under Policy F800-050.