

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL


Order in Council No. 500 , Approved and Ordered JUN 26 2008


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Pension Benefits Standards Regulation, B.C. Reg. 433/93, is amended in accordance with the attached Appendix.


Minister of Finance


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Pension Benefits Standards Act, R.S.B.C. 1996, c. 352, s. 74

Other (specify): OIC 1716/93

APPENDIX

- 1 *Section 1 (1) of the Pension Benefits Standards Regulation, B.C. Reg. 433/93, is amended by adding the following definition:*

“**actuarial valuation report**” means an actuarial valuation report referred to in section 9 (3) (b) of the Act; .

- 2 *Section 3 is amended by adding the following subsection:*

(10.1) A multi-employer plan to which Schedule 1.1 applies is exempt from the special payment requirements of section 35 (3) (c), to the extent and on the conditions, if applicable, specified in that Schedule.

- 3 *The following section is added:*

Attachment of conditions to consents and approvals

- 3.1 If a provision of this regulation empowers the superintendent to give a consent or approval, the superintendent may, if the consent or approval is given in writing, attach any conditions in and to that consent or approval that the superintendent considers appropriate in the circumstances.

- 4 *The following Schedule is added:*

SCHEDULE 1.1

(section 3 (10.1))

MULTI-EMPLOYER PLAN EXEMPTIONS

Definition and application

- 1 (1) In this Schedule, “**MENC plan**” means a defined benefit multi-employer negotiated cost plan.
- (2) This Schedule applies only to MENC plans.

MENC plans and section 35 (3) (c)

- 2 (1) In accordance with this section, the superintendent may, on application by the administrator of a MENC plan, consent in writing to the suspension of payments that an employer is or was required by section 35 (3) (c) of this regulation to pay into the MENC plan after 2006 for a period, not exceeding 3 years from the date before 2011 that is specified in the consent, on condition that,
- (a) as soon as the suspension period ends, the administrator will have an actuarial valuation report prepared, and
- (b) if the actuarial valuation report indicates a solvency deficiency exists, every employer will immediately make special payments in accordance with section 35 (3) (c) of this regulation.

- (2) An application under subsection (1)
 - (a) must be made on or before December 31, 2010, and
 - (b) must be made in the form and manner required by the superintendent.
- (3) If the superintendent consents to an application for suspension of payments under subsection (1) in relation to any particular MENC plan, then
 - (a) the administrator of the plan may not make another application for a further suspension or an extension of suspension under this Schedule, and
 - (b) the superintendent may not consent to any further suspension or extension of suspension in respect of that plan.
- (4) The administrator must submit, together with the application under subsection (1),
 - (a) an actuarial valuation report as at the review date, not being before December 31, 2006, to which the application relates, and
 - (b) any other documents required by the superintendent.
- (5) The administrator must, within 270 days after the end of the suspension period, file the actuarial valuation report prepared under subsection (1).
- (6) An administrator who wishes to have the suspension under subsection (1) cancelled may do so within the suspension period by notifying the superintendent in writing of that intention and by filing an actuarial valuation report referred to in subsection (1) (a).
- (7) In addition to the conditions specified in subsection (1), the superintendent's consent under that subsection applies or continues to apply only if
 - (a) section 41, including the testing required by section 41 (2), of the Act and, subject to subsection (11), section 35 of this regulation and the other provisions of this Schedule continue to be complied with,
 - (b) the results of that testing are reported in each actuarial valuation report that may be requested by the superintendent,
 - (c) no benefits are improved
 - (i) while the application for suspension under subsection (1) is pending, or
 - (ii) during the period of suspension,
 - (d) the plan either has no unfunded liability or, if there is an unfunded liability, the employers adopt a schedule of special payments to
 - (i) amortize each unfunded liability established on or after the review date to which the application relates over a period not exceeding 10 years from its establishment, and
 - (ii) amortize each unfunded liability that was established before that review date over the lesser of
 - (A) 10 years from the review date to which the application relates, and
 - (B) the remainder of the 15-year amortization period under which it was initially established, and
 - (e) any other relevant conditions imposed by the superintendent under section 3.1 of this regulation are complied with.
- (8) During a period of suspension under subsection (1), the administrator of the MENC plan must disclose to members, in the annual statement required under section 11 of this regulation, the fact of obtaining that suspension in accordance with that subsection and, at the same time, disclose that fact to former members.

- (9) Disclosure under subsection (8) must also contain the following information:
 - (a) the solvency ratio in relation to the plan as of the latest review date;
 - (b) a description of how the security of pension benefits for members and former members may be affected as a result of the suspension of special payments under section 35 (3) (c) of this regulation;
 - (c) the conditions described in section 2 (1) and (7) of this Schedule relating to that suspension.
- (10) At the end of the period of suspension under subsection (1),
 - (a) the administrator of the MENC plan must have an actuarial valuation report prepared,
 - (b) if the actuarial valuation report indicates a solvency deficiency exists, every employer must immediately make special payments in accordance with section 35 (3) (c) of this regulation, and
 - (c) if at any time during the suspension period the plan had an unfunded liability and the employers were required to adopt a schedule of special payments under subsection (7) (d) of this Schedule, the employers must make the special payments referred to in that provision and in accordance with it.
- (11) This section applies despite anything in section 35 of this regulation.