



October 5, 2020

NOTICE PURSUANT TO SECTION 28.1 OF *THE PENSION BENEFITS REGULATIONS, 1993*

Freeze on Transfers or Payments out of Defined Benefit Plans is Modified: Consent is Given to Proceed with Most Transfers and Payments Subject to Conditions

On April 16, 2020, *The Pension Benefits Regulations, 1993* (the Regulations) were amended such that administrators must obtain the prior written consent of the Superintendent of Pensions (the Superintendent) to transfer monies or make payments out of defined benefit plans, with very few exceptions, if, in the Superintendent's opinion, the transfer or payment would impair the solvency of the pension fund.

On April 16, 2020, the Superintendent issued the following Notice:

In the Superintendent's opinion, given the current financial market conditions, transfers or payments from defined benefit plans would impair the solvency of pension funds.

We will review this temporary measure in the coming months as we continue to monitor the impact of this crisis on defined benefit pension plans. During the temporary freeze period, administrators may request the Superintendent's consent to make a transfer or payment based on plan-specific or special circumstances.

On October 5, 2020, the Superintendent revoked the Notice issued on April 16, 2020 and issued the following Notice:

The Superintendent has been monitoring market conditions and the estimated solvency ratio of plans registered in Saskatchewan. Financial markets and solvency positions of plans generally have improved since March 2020. However, as market volatility and a low interest rate environment persist, the Superintendent is of the opinion that transfers or payments would continue to impair the solvency of pension funds.

To manage the continued risk to the solvency of pension funds, effective October 5, 2020, the Superintendent has modified the freeze as follows:

- Consent is given for transfers or payments mentioned in clause 28.1(1)(a) of the Regulations to be made, subject to the condition that, if a transfer deficiency holdback or employer contribution to the plan is required pursuant to subsection 28(2) of the Regulations, the transfer or payment must reflect a solvency ratio which is the lesser of:
 - The solvency ratio determined in the most recently filed actuarial valuation report; and
 - The solvency ratio, as determined by an actuary, projected to a date no earlier than March 31, 2020.
- For transfers or payments mentioned in clause 28.1(1)(b) of the Regulations, plan administrators must obtain the prior written consent of the Superintendent in order to proceed with the purchase of a life annuity.

The restriction and conditions on transfers and payments remain a temporary measure. The Superintendent will continue to monitor the financial market conditions to determine when the restriction will be further modified.

Below is a link to important information:

[The Pension Benefits \(Restrictions on Transfers and Payments\) Amendment Regulations, 2020](#)



Leah Fichter
Deputy Superintendent of Pensions