

May 6, 2020

### **Suspension of Contributions in a Defined Contribution Pension Plan**

Employers and plan members are required to make contributions in accordance with *The Pension Benefits Act, 1992* (the Act) and the plan text that governs their pension plan.

To the extent that member contributions are optional, members may choose to reduce or eliminate those optional contributions in accordance with plan rules and any matching employer contributions would then be reduced accordingly.

The Superintendent would allow a plan amendment to suspend employer contributions under the following circumstances:

- An amendment must be filed which provides that both employer and member contributions are suspended. Our office will not register an amendment that only suspends employer contributions.
- The amendment must be on a go-forward basis only.
- The amendment must set out the time period for the suspension. Our office expects that this is a temporary measure. The Act provides the Superintendent with the authority to terminate a plan where an employer fails to make contributions to a plan. However, given the current COVID-19 disruption, the Superintendent will not terminate a plan solely because the plan has been amended to temporarily suspend employer and member contributions for a period that lasts no longer than December 31, 2020, subject always to the Superintendent's ability to act upon the facts of any particular case.

The ability to amend the plan would be subject to a number of considerations, such as, but not limited to, the plan specific amendment provision, any collective bargaining agreements, and any requirements of the Canada Revenue Agency.

Once the amendment is registered by our office, there must be disclosure to members within 90 days of the registration date pursuant to subsection 11(2) of *The Pension Benefits Regulations, 1993*.

If there are any questions or concerns please contact FCAA - Pensions Division at [pensions@gov.sk.ca](mailto:pensions@gov.sk.ca).