

## EPPA Update **08-04**

Issued November, 2008

# ***Employment Pension Plans Amendment Act, 2008 – Summary of Changes***

Bill 34 – the *Employment Pension Plans Amendment Act, 2008* – received royal assent on **November 4, 2008**. The bulk of the Amendment Act is housekeeping in nature and meant to provide additional clarification to the legislation which will not have an impact on the regulation and administration of registered pension plans. This Update highlights the main changes to the *Employment Pension Plans Act*.

**Users of this summary are strongly urged to refer directly to the appropriate sections of the Act, as this summary is for information purposes only.**

The Amendment Act and Regulation, the Act, and the Regulation are available from the Alberta Queen's Printer either via the internet (<http://www.qp.gov.ab.ca>) or in hard copy. A consolidation of the Act and Regulation will be available shortly from the Queen's Printer.

<b>Change to Legislation</b>	<b>Description / Reason for Change</b>
<b>Agreements with designated jurisdictions – reciprocal agreements</b>  Section 6.1 Act	<p>This new section permits the Minister of Finance and Enterprise to enter into a new multilateral agreement, as put forward by the Canadian Association of Pension Supervisory Authorities (CAPSA) respecting multi-jurisdictional pension plans, which builds upon the existing Memorandum of Reciprocal Agreement between Alberta and the other pension jurisdictions.</p> <p>The new agreement continues the one jurisdiction of registration concept. However, this agreement permits the jurisdiction of registration to apply its administrative and technical rules in respect of all members of the plan, thus simplifying administration for plan sponsors.</p> <p>For details, please refer to the <a href="#">CAPSA Website</a></p>
<b>Plans for Connected Individuals (PCI plans)</b>  Section 14(3)(a)(i) Act	<p>Act section 14(3)(a)(i) is repealed, and Act section 24(2) is amended to permit the Superintendent to cancel the Certificate of Registration of a PCI plan under the Act, without causing that Plan's registered status under the <i>Income Tax Act</i> to be</p>

<p>Section 24(2) Act  <b>Member Disclosure –  Audited Financial Statement</b></p>	<p>similarly cancelled.  Members are permitted to view the three most recently filed audited financial statements under section 15(4)(c.1) of the Act. This section now matches section 25(1)(a.1) of the Regulation.</p>
<p>Section 15(4)(c.1)</p>	<p>This requirement is similar to section 15(4)(d), which already provides members the ability to obtain the three most recently filed annual information returns.</p>
<p><b>Non-Residency Unlocking</b></p> <p>Section 35(4.1) Act  Section 46(3) Act</p>	<p>The reference to non-residency unlocking no longer appears in section 35 – Locking In – and has, instead, been moved to section 46 – Variation in Benefits.</p>
<p><b>Payment of Excess  Contributions on Pension  Deferral</b></p> <p>Section 37(2.1) Act</p>	<p>Where a member in a DB provision elects to defer pension commencement, this section now clarifies that both the recalculation, as well as the payment, of excess contributions is delayed until the actual date of pension commencement.</p>
<p><b>Pension Partner Waiver of  Death Benefit Entitlement</b></p> <p>Section 39(5.1) Act</p>	<p>This section is amended to clarify that pension partners can only waive the right to the payment of a death benefit before (and not after) the death of the plan member.</p>
<p><b>Transfers between Fund  Holders</b></p> <p>Section 82(2.1) Act</p>	<p>The initial requirement of section 82(2) of the Act – the need to obtain the consent of the Superintendent prior to transferring assets to another fund holder – was intended for situations where one fund holder was being replaced by another.</p> <p>It was not intended to impede the operation and administration of plans that already employ multiple fund holders, and transfer assets between each fund holder from time-to-time.</p> <p>This new section rectifies the unintended consequence of the prior requirement of 82(2).</p>

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