

EPPA Update **14-01** **New Legislation is Proclaimed**

Issued July, 2014

On July 22, 2014, the Government of Alberta passed the [Employment Pension Plans Regulation](#) (the new Regulation). The new Regulation supports the [Employment Pension Plans Act](#) (the new Act) which was passed in the Fall of 2012. In addition to passing the new Regulation, the Government of Alberta also approved proclamation of the new Act and Regulation effective September 1, 2014.

This Update is designed to notify stakeholders of the passage of the new Regulation and the pending proclamation of the new legislation. It also provides plan administrators and service providers with timelines for when specific documents must be filed with the Superintendent, and when other items must be in place to comply with the new legislation.

The new legislation reflects the changes recommended by the Joint Expert Panel on Pension Standards in their 2008 report. It has been drafted to be highly harmonized with the province of British Columbia.

In addition to this Update, two additional Updates may be useful to stakeholders:

- [Update 14-02](#) provides a summary / checklist for amendments to the plan text document, the funding document, and other plan documents, and
- [Update 14-03](#) outlines the key differences between the old and the new Regulation.

Over the coming months, a series of Interpretive Guidelines would be produced. The interpretive guidelines will replace the existing Policy Bulletins, but will be drafted to provide legislative and policy considerations on specific issues related to the new legislation.

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

Terms used in this Update

“**Benefit Formula Plans**” means either or both of a pension plan that provides for a defined benefit provision, or a target benefit provision.

“**Non-Collectively Bargained Multi- Employer Plans (NCBMEPs)**” means a multi-employer plan that is established other than through a collective agreement (formerly known as Multi-Unit Pension Plans or MUPPs).

“**Collectively Bargained Multi- Employer Plans (CBMEPs)**” means a multi-employer plan that is established through a collective agreement (formerly known as Specified Multi-Employer Pension Plans or SMEPPs).

Timing and Applicability

Plan Text Amendment – All plans

An amendment to the plan text document, amending the terms of the plan to reflect new required plan provisions, must be **filed before December 31, 2014**. Any amendment to reflect the adoption of optional plan provisions may be filed at any time.

Although plan text amendments are not immediately required, the plan must be administered to reflect the new legislative requirements from September 1, 2014 onward.

Governance Policy (All plans) and Funding Policy (Benefit Formula Plans)

Written governance and funding policies must be in place by **August 31, 2015**. There is no requirement to file these documents with the Superintendent, but a copy of the funding policy must be given to the plan actuary.

Compliance with new disclosure rules (All plans)

The inclusion of new information and the additional statements that must be provided will be **required to be in effect as of December 31, 2014**.

Annual administrator assessment (All Plans)

The requirement that a Plan Administrator assess the administration of the plan in accordance with section 41 of the new Act must occur **within a year after the end of the 2nd year of the plan** following proclamation, and then annually thereafter.

For example, if the plan year end is December 31, 2014, the first assessment must be performed no later than December 31, 2016 (since the end of the 2nd plan year following the September 1, 2014 proclamation date is December 31, 2015 and the review must be completed within 365 days after that date).

Information to Fundholders (All Plans)

All pension plans, except for CBMEP's, must provide the fund holder with an updated Schedule of Expected Contributions (formerly Form 7) **within 30 days after the coming into force** of the legislation; i.e. by October 1, 2014.

Default investment option for defined contribution provisions

Plans where members are authorized or required to make decisions regarding the investment of their accounts have until **December 31, 2014** to implement the new default investment option.

Participation Agreements (NCBMEPs)

The required content of a participation agreement in an NCBMEP has been expanded. Consequently, pension plans which have existing participation agreements between the administrator and the participating employer have until **June 1, 2015** to amend their agreements to comply with the new provisions.

Changes to LIRAs and LIFs

The changes to the administration of the Financial Hardship Unlocking program go into effect on proclamation (i.e. **September 1, 2014**). All other changes to LIRAs and LIFs come into effect on **January 1, 2015**. Financial Institutions which are presently listed on the Superintendent's List must confirm their ability to comply with the new legislative provisions by the end of 2014. Copies of the revised addenda should be sent to all LIRA and LIF owners with the next statement of account that is sent to them.

For further information please contact:	
Superintendent of Pensions Alberta Treasury Board and Finance Room 402, 9515 - 107 Street Edmonton, AB T5K 2C3	Telephone: (780) 427-8322 Fax: (780) 422-4283 Internet: http://www.finance.alberta.ca
For toll-free dialling within Alberta, call 310-0000 and then dial 780-427-8322.	Sign up for electronic notifications: http://www.finance.alberta.ca/subscribe/epen/