

DIRECTIVE NO. 1

Issued under the *Pension Benefits Act, 1997*, effective December 31, 2018

DATED at St. John's, this 12th day of September, 2018



MICHAEL DELANEY
Superintendent of Pensions

Requirements for Registration

Requirements for Registration of Pension Plans

1. An administrator of a pension plan shall apply to the Superintendent for registration of the plan within 60 days of the establishment of the plan.
2. An application for the registration of a pension plan shall include
 - (a) an application for registration in a form provided by the Superintendent;
 - (b) a certified copy of the plan, insurance contract, trust agreement, board resolution, collective agreement respecting pensions, by-law and any other document that creates or supports the plan, the pension fund and any amendments;
 - (c) a copy of the written information required under subsection 25(1) of the Act;
 - (d) in the case of a defined benefit plan, an actuarial valuation report, prepared as of the effective date of the plan or, if an actuarial report has been prepared as of a date more recent than the effective date of the plan, the most recent actuarial report prepared in accordance with section 5 of the Regulations and Directive No. 2; and
 - (e) any fees required by the Minister.

3. Notwithstanding the above, an application for the registration of an individual pension plan with an effective date on, or after, December 31, 2018, shall include
 - (a) plain language in the plan text describing that the Act does not require an individual pension plan registered on or after December 31, 2018 to be fully funded when the plan is terminated. Benefits payable under the individual pension plan may be reduced if a wind-up deficit exist at the time benefits are settled on plan termination and the employer elects not to fund the deficit arising on plan termination; and
 - (b) a description how such a reduction in benefits may affect the plan member(s) and their principal beneficiary; including possible reductions to the annual lifetime pension payable under the plan, alternative lower-cost forms of pension (subject to consent), or a reduced lump sum commuted value when the member terminates, retires, or dies.

Requirements for Registration of Amendments

4. An application for registration of an amendment to a pension plan shall be made to the Superintendent within 60 days after the date on which the plan is amended and shall include
 - (a) a certified copy of the amending document;
 - (b) a review required under subsection 5(4) of the Regulations; and
 - (c) within 30 days of providing such notice, a copy of the written notice and explanation of the amendment provided to plan members, former members, or other person affected by the amendment as required under subsection 25(3) of the Act.
5. Where the Superintendent is of the opinion that insufficient information has been provided under paragraph 4(b), the Superintendent may require the administrator to have prepared and file an actuarial valuation report in accordance with section 5 of the Regulations and Directive No. 2.
6. Where there are 5 or more amendments to a pension plan or to any other document that supports a pension plan, the Superintendent may require an administrator to provide a consolidated copy of the plan or document, incorporating all amendments to date, and the administrator shall file the requested copy within 180 days of the Superintendent's request.