

DIRECTIVE NO. 11

Issued under the *Pension Benefits Act, 1997*, effective December 5, 2018

Dated at St. John's, this 14th day of December, 2018



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Superintendent of Pensions

Termination of Membership Statement

1. Where a member ceases to be a member of a pension plan for reasons other than retirement or death, an administrator is required to provide the former member with a written statement which shall contain at least the following information as recorded on the records of the administrator:
 - (a) the member's name and date of birth;
 - (b) the date on which the member joined the pension plan;
 - (c) the date the member ceased membership in the plan;
 - (d) the accumulated amount of required contributions, if any, made to the pension fund by the member, including interest credited to those contributions to the date of termination;
 - (e) the accumulated amount of any additional voluntary contributions made by the member to the pension fund, including interest credited to those contributions to the date of termination;
 - (f) in the case of a plan containing a defined contribution provision,
 - (i) the amount of employer contributions allocated to the member to the date of cessation of membership,

- (ii) the accumulated amount of employer contributions, including interest credited to those contributions, allocated to the member to the date of cessation of membership, and
 - (iii) the rate of interest applied to required contributions and additional voluntary contributions to the date of cessation of membership or the manner in which interest was applied;
- (g) in the case of a plan containing a defined benefit provision,
- (i) the member's years of employment or years of membership credited under the plan for the purpose of the calculation of pension benefits determined as of the date of cessation of membership,
 - (ii) the annual amount of pension benefit payable at normal retirement date accrued at the date of cessation of membership,
 - (iii) information as to whether the pension referred to in subparagraph (ii) is reduced by an amount of pension payable under the Canada Pension Plan or the Quebec Pension Plan or the *Old Age Security Act* (Canada), and
 - (iv) if there is a solvency deficiency,
 - (A) a statement that a solvency deficiency exists and that it may not be transferred until it has been funded in accordance with the solvency tests,
 - (B) the amount of the solvency deficiency, and
 - (C) the latest date at which it will be transferred;
- (h) the member's normal retirement date under the plan or the earliest date on which a pension without reduction is payable;
- (i) the pension benefits to which the member is entitled on termination and any options respecting those benefits, including early, normal and postponed dates for commencement of payment of pension benefits and any adjustment to the pension benefit as a result of early or postponed retirement;
- (j) where applicable, the name of the person recorded as the member's principal beneficiary or designated beneficiary;

- (k) where applicable, the formula by which the deferred pension benefit will be integrated with a pension payable under the Canada Pension Plan, Quebec Pension Plan or the *Old Age Security Act* (Canada) and the reduction or increase to the deferred pension benefit as a result of that entitlement;
 - (l) any bridging benefit or special allowance and the date on which that benefit ceases to be paid;
 - (m) any indexation provisions applicable to the pension benefit;
 - (n) any pension benefit payable in the event of the member's death, should the death occur before the commencement of payment of pension benefits;
 - (o) any pension benefit payable in the event of the member's death, should the death occur after the commencement of payment of pension benefits;
 - (p) the transfer value of the pension benefit determined in accordance with subsection 14(1) of the Regulations;
 - (q) any options with respect to transfers available under section 40 of the Act and
 - (i) the application of the solvency ratio to the transfer, and
 - (ii) where the solvency ratio is less than 1.00, the amount that may be transferred out immediately and the manner in which the balance will be paid;
 - (r) the time periods in which any option must be exercised;
 - (s) the amount of any refunds to which the member is entitled and information on the effect, if any, the member's election to receive a refund would have on the member's pension benefit; and
 - (t) the amount of the member's excess contributions referred to in section 39 of the Act.
2. An administrator shall provide the written statement referred to in paragraph 1 not later than 60 days following the member's cessation of employment or cessation of membership in the plan, or where notice of termination or cessation is not provided to the administrator before the event, not later than 60 days of the administrator's receipt of that notice.

3. Where a member of a pension plan requests to transfer the commuted value of his or her pension benefit to the Public Service Pension Plan or the Teachers' Pension Plan, the administrator of the plan shall first provide a written statement containing the following information:
 - (a) Jointly sponsored pension plans, such as the Public Service Pension Plan/Teachers' Pension Plan, are not regulated under the *Pension Benefits Act, 1997*;
 - (b) As the Public Service Pension Plan/Teachers' Pension Plan is fully exempt from the *Pension Benefits Act, 1997*, the Superintendent of Pensions, who is responsible for overseeing compliance with the act, has no regulatory oversight over the jointly sponsored plan;
 - (c) Certain legislative protections and rights to access plan information provided under the *Pension Benefits Act, 1997* may be different under a non-regulated pension plan, or may be changed in the future subject to the rules and governance of the non-regulated plan;
 - (d) Prior to the administrator completing the transfer of the commuted value the member and, if applicable, any persons entitled to a joint and survivor pension benefit under the *Pension Benefits Act, 1997* must consent to the transfer in a form and manner required by the Superintendent
 - (e) If the member or principal beneficiary of the member has questions about the statement they can contact the Superintendent of Pensions, Service NL.