

December 8, 2011

## Funding of Benefits on Plan Termination

---

The government of Newfoundland and Labrador has amended the *Pension Benefits Act Regulations* (the *Regulations*) to require funding of a deficiency on the termination of a defined benefit pension plan by equal payments over a period of not more than five years following the date of termination of the pension plan.

As published in the November 25, 2011 edition of the Newfoundland and Labrador Gazette, the amended *Regulations* require that the payments be made at least quarterly and must start no later than two weeks following the date that the termination report is filed.

Further, any experience loss identified in a subsequent actuarial report must also be funded separately by equal payments over a period ending not more than five years from the date of termination of the pension plan.

These *Regulations* apply to any defined benefit pension plan that terminates on or after November 25, 2011 or where the termination report required under subsection 60(2) of the *Pension Benefit Act, 1997* has not been filed prior to such date.

A copy of the change to the *Pension Benefits Act Regulations* is available on the government website at <http://www.assembly.nl.ca/legislation/sr/regulations>.

For further information please contact:

Service NL  
Pension Benefit Standards Division  
PO Box 8700  
St. John's, NL A1B 4J6  
Telephone: (709) 729-1039  
Fax: (709) 729-3205

Website: <http://www.gs.gov.nl.ca/pensions>