

January 13, 2012

Solvency Funding Relief Regulations – 2010

The government of Newfoundland and Labrador has amended the *Solvency Funding Relief Regulations* (the *Regulations*) to extend the temporary solvency funding relief already in effect for regular defined benefit pension plans.

Solvency Funding Relief Regulations for regular defined benefit pension plans are separate regulations under the *Pension Benefits Act, 1997* and is available on the government website at <http://www.assembly.nl.ca/legislation/sr/Tableregulations/>.

As published in the December 23, 2011 edition of the Newfoundland and Labrador Gazette, the amended *Regulations* are available for actuarial valuation reports with valuation dates between January 1, 2010 and January 1, 2013 and provide regular defined benefit pension plans with three solvency funding relief options:

1. Consolidate previous solvency funding payment schedules and amortize the entire solvency deficit over a single, new five-year period; provided that consolidation under this option has not previously been applied during a solvency funding relief period.
2. Extend the solvency funding period to ten years provided that no more than one third of active plan members or non-active members and beneficiaries, including retirees, object to the extended payment period.
3. Extend the solvency funding payment period to ten years when the difference between the five year and ten year level of payments is secured by a letter of credit.

For further information please contact:

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