

EPPA Update 19-02

Issued November 2019

Employment Pension Plans Act and Regulation Amendments

On November 22, 2019, [Bill 22: Reform of Agencies, Boards and Commissions and Government Enterprises Act, 2019](#) received Royal Assent. Additionally, on that same day, Order in Council 235/2019 was signed in respect of the [Budget Implementation \(Pensions\) Amendment Regulation](#). Finally, on November 26, 2019, Order in Council 258/2019 was signed in respect of the [Pension Plans Regulations \(Family Property\) Amendment Regulation](#).

This EPPA Update is designed to provide Plan Administrators and service providers with information regarding the changes. This Update is limited to changes made to the *Employment Pension Plans Act* (EPPA) and the associated Employment Pension Plans Regulation (EPPR).

1. Section 57 of the EPPA has been amended to add a new subsection (2.1). This new provision, which is applicable only to a jointly sponsored pension plan (JSP), sets out the calculation of excess contributions in a JSP.

Section 1(1)(u) of the EPPA and sections 11(3)(a)(i) and 71(1) and (2) of the EPPR have been amended to include a reference to the new section 57(2.1).

2. Due to the discontinuation of CANSIM series V122515 by the Bank of Canada, section 73(1) of the EPPR has been amended to reference data contained in a replacement interest rate table, being the last weekly Wednesday rate of each month as published in CANSIM series V80691336.

The change is not expected to result in any changes in plan administration, as the data previously published in the CANSIM series V122515 is identical to the last weekly Wednesday rate of each month in CANSIM series V80691336.

The discontinuance of CANSIM series V122515 does not invalidate its original application. Plan administrators may administer their pension plan in accordance with the change and are also expected to update any references to the CANSIM series V122515 in their plan text the next time an amendment is filed.

3. Finally, the Pension Plans Regulations (Family Property) Amendment Regulation is complementary to, and associated with, the [Family Statutes Amendment Act, 2018](#) (FSAA) which received Royal Assent in December 2018. Among other changes, the FSAA provides for the division of property of adult interdependent partners on relationship breakdown (married or otherwise). If the requirements for a division

under applicable pension legislation have not been met, the FSAA will not allow for the division of a pension benefit, payout of contributions, or transfer of money in a retirement account (i.e. locked-in retirement account or life income fund).

The changes to the EPPR as a result of this regulation are primarily related to terminology. For example, references to “matrimonial property” become “family property”; “marriage breakdown” become “relationship breakdown”; and “*Matrimonial Property Act*” become “*Family Property Act*”.

The regulation also requires a plan administrator to provide a member with a statement on relationship breakdown in circumstances where the member has an adult interdependent partner, but that person does not otherwise meet the definition of “pension partner” for purposes of the EPPA. While it is expected this will be an exceedingly rare occurrence, in those instances, the pension itself will not be divided from the plan. Instead, the value of the pension can be used to inform the division of other property between the member and their adult interdependent partner.

Although the FSAA comes into force on January 1, 2020 (and new EPPA section 80(2.1) mirrors this requirement), plan administrators are reminded that the division of pension benefits amongst a broader scope of pension partners is already required as a result of an April 2018 court decision, as was previously communicated in [EPPA Update 18-03](#).

For further information please contact:	
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