



CONSULTATION PAPER

Proposed amendments to the Regulations under the
Pension Benefits Act
required as a result of
Bill No. 9
Chapter 21 of the Acts of 2002

July 25, 2002

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I Introduction

On May 30, 2002, Bill No. 9 amending the *Pension Benefits Act* (the “Act”) received royal assent. Many sections of the Act were clarified, and changes were introduced to harmonize the pension legislation with that of other Canadian jurisdictions.

The new provisions include:

- The right of plan members to establish an advisory committee
- The extension of eligibility to persons with 700 hours of employment
- The introduction of optional ancillary benefits under a defined benefit pension plan that are funded through member optional contributions
- An increase in the level for unlocking of small benefits
- The recognition of negotiated agreements on the withdrawal of surplus by an employer on plan wind-up
- An increase in penalties for offences contrary to the Act
- The removal of certain restrictions to the Life Income Fund (specific requirements of the Life Income Fund will be as prescribed in the regulations)

Bill No. 9, as amended, can be viewed at: www.gov.ns.ca/legislature/legc/ under “Bills of House of Assembly”.

The purpose of this consultation paper is to solicit comments on the draft regulations required as a result of the amendments. In order to enable us to have regulations ready for implementation by January 1, 2003 we would like to receive your comments by September 6, 2002.

When the regulations are finalized, amendments recognizing the changes to the Act and Regulations must be made to pension plans with members subject to the Nova Scotia *Pension Benefits Act*. The plan amendments must be submitted to the Pension Regulation Division no later than December 31, 2003.

II Submissions

The Department of Environment and Labour invites comments on the draft regulations outlined in this paper. Interested parties are asked to provide their submissions in writing to the Department by September 6, 2002.

Submissions should be forwarded to:

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III Discussion on proposed amendments to the Regulations

Many of the proposed regulatory changes are housekeeping in nature. However, some of the proposed changes are more material.

Life Income Fund - The Life Income Fund (LIF) has been revised considerably. The requirement to purchase a life annuity at age 80 has been removed. Provision has been made for payment of a bridging benefit for individuals between age 54 and 65. The factors used to determine maximum withdrawals are included in tables in the Regulations. The filing requirements related to the LIF contract has been simplified with the introduction of a prescribed Nova Scotia LIF Addendum.

Fee increases - An increase in the upper limit of registration and annual filing fees for pension plans is proposed. The upper limit is currently \$5,000 for pension plans with 1,000 or more members. The proposal is to increase this upper limit to \$7,500.

A fee is also proposed for registration of amendments to LIFs. The proposed fee is \$250 per amendment, to be paid by the financial institution filing a LIF with the Superintendent of Pensions.

Cost Certificates - A cost certificate will no longer be required for defined contribution pension plans, which will reduce the regulatory complexity and cost associated with defined contribution plans.

Optional Ancillary Contributions - The regulations address the treatment of these contributions for the purchase of flexible benefits by a plan member.

Advisory Committee - The regulations specify the requirement for a vote by all members and former members for the establishment of an advisory committee.

Employer's Claim to Surplus - The information which must be provided by an employer proposing to establish a claim to surplus on the total wind-up of a pension plan is prescribed.

Withdrawals at age 65 - The regulations permit withdrawal of funds from a locked-in retirement account if the owner is age 65 and the value of all Life Income Funds and locked-in retirement accounts is less than 40 per cent of the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan for that calendar year. The YMPE for 2003 is not known at this point. However, assuming it will at least equal that for 2002 (\$39,100) amounts less than \$15,640 may be withdrawn in 2003. An application form for withdrawal is included in the regulations

Withdrawals for Considerably Shortened Life Expectancy - The withdrawal requirements have been changed such that withdrawals from Locked-in Retirement Accounts (or locked-in Registered Retirement Savings Plans) or LIFs are permitted if the person has a considerably shortened life expectancy. The requirement that the pension plan from which the funds were transferred had to include such provision has been removed. An application form for withdrawal is included in the regulations.

IV Proposed amendments to the Regulations

Because the proposed changes are extensive, all of the regulations, with changes noted, are reproduced below.

**Pension Benefits Regulations
made under Section 105 of the
Pension Benefits Act
R.S.N.S. 1989, c. 340**

**O.I.C. 87-1548 (December 17, 1987), N.S. Reg. 269/87
as amended up to O.I.C. 2001-392 (Aug. 16, 2001, effective Feb. 28, 2001), N.S. Reg. 102/2001**

Part I - General

Citation

1 These regulations may be cited as the *Pension Benefits Regulations*.

Section 1 replaced: O.I.C. 2000-264, N.S. Reg. 58/2001.

Definitions

1A In these regulations,

- (a) “accountant” means a public accountant licensed under the *Public-Accountancy Act*;
- (b) “actuarial gain” means the sum, if positive, of the following items as of the review date for a going concern valuation:
 - (i) the gain to the pension plan during the period since the ~~review~~ valuation date of the immediately preceding going concern valuation resulting from the difference between actual experience and the experience expected by the actuarial assumptions on which that valuation was based, and
 - (ii) the amount by which the going concern liabilities decrease as a result of an amendment to the plan, and
 - (iii) the amount by which the going concern liabilities decrease or the going concern assets increase as a result of a change in actuarial methods or assumptions upon which the current going concern valuation is based,

provided that any of the items in subclauses (i), (ii) or (iii) shall be counted as a negative in the calculation of the sum where

- (iv) the experience of the plan has resulted in a loss rather than a gain,

- (v) an amendment has increased the going concern liabilities, or
 - (vi) a change in actuarial methods or assumptions has resulted in an increase in going concern liabilities or a decrease in going concern assets, as the case may be;
- (c) "actuarial loss" means the sum, if negative, of the items in subclauses (b)(i), (ii) and (iii), as of the review date of a going concern actuarial valuation;
- (d) "actuary" means a Fellow of the Canadian Institute of Actuaries;
- (e) "escalated adjustment" means an adjustment made after the termination of a member of a pension plan to his or her pension or deferred pension, which adjustment is not capable of being determined with certainty at the time the plan or an amendment thereto is submitted for registration because the adjustment is related to the investment earnings of the pension fund or to future changes in a general wage or price index; or the adjustment is an increase in the pension or deferred pension at a fixed annual percentage specified in the plan;
- (f) "financial institution" means
- (i) a bank,
 - (ii) a body corporate to which the *Trust and Loan Companies Act* applies,
 - (iii) a cooperative credit society to which the *Co-operative Associations Act* applies,
 - (iv) an insurance company to which the *Insurance Act* applies,
 - (v) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province,
 - (vi) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province,
 - (vii) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province that is primarily engaged in dealing in securities, including portfolio management and investment counselling, or
 - (viii) a foreign institution;

- (g) "foreign institution" means an entity that is
 - (i) engaged in the business of banking, the trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and
 - (ii) incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province;
- (h) "going concern assets" means the value of the assets of a pension plan including due and accrued income determined on the basis of a going-concern valuation;
- (i) "going concern liabilities" means the present value of the accrued benefits of a pension plan determined on the basis of a going concern valuation;
- (j) "going concern unfunded actuarial liability" means the excess of going concern liabilities over going concern assets;
- (k) "going concern valuation" means a valuation of assets and liabilities of a pension plan using methods and actuarial assumptions ~~considered by the actuary who valued the plan to be in accordance with sound actuarial principles and practices~~ that are consistent with accepted actuarial practice for the valuation of a continuing pension plan;
- (l) "government" means Her Majesty in right of Nova Scotia, an agent of Her Majesty, a municipality as defined in the *Municipal Government Act* and a metropolitan municipality and the local boards thereof;
- (la) "life income fund" means an RRIF that meets the requirements set out in Section 18A;
- (lb) "locked in retirement account" means an RRSP that meets the requirements set out in Section 18; including a contract made before January 1, 2003 to establish a RRSP for the purposes of a transfer under clause 50(1)(b) of the Act.
- (m) "normal cost" means the cost of pension benefits and ancillary benefits with respect to a fiscal year of a pension plan determined in accordance with the going concern valuation methods and assumptions used;
- (n) "past service unfunded actuarial liability" means the amount of going concern unfunded actuarial liability resulting from the provision of benefits with respect to employment prior to the effective date of the pension plan, or from an amendment to a plan which provides benefits for employment prior to the date of the

amendment and such employment had not previously been recognized for purposes of the provision of pension benefits;

- (o) "postjudgment interest rate" means the bank rate at the end of the first day of the last month of the quarter preceding the quarter in which the date of the order falls, rounded to the next higher whole number where the bank rate includes a fraction, plus 1 per cent;
- (p) "review date" means the date as of which ~~a report is made~~; the assets and liabilities are valued for the purposes of the going concern and solvency valuations in a report under sections 2, 3, 10 or 11;
- (pa) "RRSP" means a registered retirement savings plan established in accordance with the *Income Tax Act (Canada)*;
- (pb) "RRIF" means a registered retirement income fund established in accordance with the *Income Tax Act (Canada)*;
- (q) "significant shareholder" means an individual who alone or in combination with a parent, spouse or common-law partner or child, owns or has a beneficial interest, directly or indirectly, in shares that represent 10 per cent or more of the voting rights attached to the shares of the employer who contributes to the pension plan;
- (r) "solvency deficiency" means a deficiency determined by a solvency valuation performed in accordance with Section 14;
- (s) "solvency gain" means the sum, if positive, as of a review date for a solvency valuation performed in accordance with Section 14, of
 - (i) the gain to the pension plan during the period since the review date of the immediately preceding solvency valuation resulting from the difference between actual experience and the experience expected by the actuarial assumptions on which that valuation was based, and
 - (ii) the amount by which the solvency liabilities decrease or the solvency assets increase as a result of a change in the actuarial methods or assumptions upon which the current solvency valuation is based,

provided that either of the items in subclauses (i) or (ii) shall be counted as a negative in the calculation of the sum where the experience of the plan has resulted in a loss rather than a gain or where a change in actuarial methods or assumptions has resulted in an increase in solvency liabilities or a decrease in the solvency assets, as the case may be;

- (t) "special allowance" means a bridging benefit, the amount of which may be adjusted based on the income of the former member resulting from employment subsequent to retirement; and
- (u) "special payment" means a payment or one of a series of payments determined for the purpose of liquidating a going concern unfunded actuarial liability or solvency deficiency.

Section 1A added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Registration and amendments

- 2** (1) An application for registration shall be accompanied by a fee of \$5.00 for each member of the pension plan in Nova Scotia or in a designated province, but the total fee payable shall not be less than \$100.00 and not more than ~~\$5,000.00~~ \$7,500.00.

Subsection 2(1) amended: O.I.C. 94-579, N.S. Reg. 80/95.

- (2) Where the Superintendent administers a pension plan under an agreement with the Government of Canada under Section 7 of the Act, an application for registration shall be accompanied by a fee of \$5.00 for each member of the plan, but the total fee payable shall be not less than \$100.00 nor more than ~~\$5,000.00~~ \$7,500.00.

Subsection 2(2) amended: O.I.C. 94-579, N.S. Reg. 80/95.

Section 2 replaced: O.I.C. 91-617, N.S. Reg. 113/91.

- (3)** An application under subsection 15(1) of the Act for registration of a pension plan must be made within 90 days after the plan is established.

- 3** (1) Where an amendment to a plan affects the cost of benefits provided by the plan, creates an unfunded liability or otherwise affects the solvency or funding of the plan, the administrator shall have the plan reviewed or the latest review revised as of the date the amendment is made, but for the purposes of this Section, if the plan is reviewed, the review date shall be deemed to be the last day of the fiscal year preceding that in which the amendment was made.

- (1A)** Subsection (1) does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits.

- (2) Where the latest review of a plan is revised pursuant to subsection (1), the administrator shall, within ~~120 days~~ six months after the date the amendment is made, be required to be submitted for registration, file a cost certificate showing the effect that the amendment will have on the going concern liabilities, special payments and normal actuarial cost and the

changes that will result to the cost certificate filed in respect of the immediately preceding review date.

- (3) Where the Superintendent considers that insufficient information has been provided in the cost certificate filed under subsection (2), the Superintendent may require that an actuarial valuation report be filed in addition to that cost certificate.
- (4) Where the Superintendent has required that an administrator give notice of a proposed amendment under subsection 32(1) of the Act, the administrator shall certify in writing to the Superintendent, within 30 days after the date on which the last of the notices was transmitted, details as to the classes of persons who received notice, the date the last notice was distributed and that notice has been provided as required.
- (5) The administrator shall file with the Superintendent the explanation required to be provided under subsection 32(3) of the Act (notice after registration) within six months following registration of the amendment.

Funding of Pension Plans

Payments - general

- 4 (1) A pension plan shall include a provision for funding of pension benefits and any other benefits provided under the plan which sets out the obligation of the employer, or any person required to make contributions on behalf of an employer, to contribute both in respect of the normal cost of such benefits and any going concern unfunded actuarial liabilities and solvency deficiencies under the plan.
- (2) An employer, or any person required to make contributions on behalf of an employer, shall make payments to the pension fund or to the insurance company as applicable, of amounts which are not less than the sum of
 - (a) any contributions received from employees, including money withheld from an employee, whether by payroll deduction or otherwise, as the employees' contribution to the pension plan;
 - (b) all contributions required the balance of to pay the normal cost; and
 - (c) special payments determined in accordance with Section 5.
- (3) The payments referred to in subsection (2) shall be made within the following time limits:
 - (a) all sums received by the employer from an employee or deducted from an employee's pay as the employee's contribution to the pension plan, within 30 days following the month in which the sum was received or deducted;

- (b) employer contributions in respect of the normal cost for the period prior to the 1st day of January 1988, not later than 120 days after the end of the fiscal year of the plan;
 - (c) employer contributions in respect of the normal cost for any period on or after the 1st day of January, 1988, in monthly instalments not later than ~~90~~ 30 days following the month for which contributions are payable, the amount of such instalments to be either a fixed dollar amount, a fixed dollar amount per employee/member of the plan or a fixed percentage of either covered payroll or employee contributions, in accordance with such contributions as are certified under clause 10(1)(a) or 11(2)(a);
 - (d) employer contributions for a special payment required to be made with respect to a fiscal year of the plan commencing prior to the 1st day of January, 1988, within 30 days after the end of such fiscal year; and
 - (e) all other special payments determined in accordance with Section 5 by equal monthly instalments throughout the fiscal year of the plan, within ~~90~~ 30 days following the end of the month.
- (4) Where the period covered by a report filed under Section 3(1), 10 or 11 has passed and no new report has been filed with the Superintendent under Section 3(1) or 11, the employer shall continue to make payments in accordance with the requirements of the most recent report filed until a new report is filed.
 - (5) This Section does not apply to a multi-employer pension plan established pursuant to a collective agreement or a trust agreement or a pension plan that provides defined benefits where the obligation of an employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement.

Special payments - general

- 5 (1) Subject to subsections (2) and (3) and Section 7, the special payments to amortize a going concern unfunded actuarial liability or solvency deficiency shall not be less than the sum of
 - (a) any remaining special payments determined in accordance with subsection (5) with respect to an "initial unfunded liability" or "experience deficiency" as defined in regulations made by Order in Council 76-1421, dated December 7, 1976 and in existence on December 31, 1987;
 - (b) the amount required to liquidate by equal instalments, with interest at the going concern valuation rate, any other going concern unfunded actuarial liability within a period of fifteen years from the date on which such liability arose;

- (c) the amount required to liquidate that portion of any solvency deficiency-at January 1, 1988 created by the application of Section 79 of the Act by equal instalments, with interest at the solvency valuation interest rate, within fifteen years after the solvency valuation at January 1, 1988; and
 - (d) the amount required to liquidate any other solvency deficiency by equal instalments, with interest at the solvency valuation interest rate, within five years after the review date of the solvency valuation in which such solvency deficiency is identified.
- (2) Where a new series of monthly instalments is commenced under clause (1)(d), the schedule of special payments referred to in clauses (1)(a), (b) and (c) with respect to any portion of an amortization period which extends beyond the five year period established for the new series of payments under-clause (1)(d) shall be reduced or eliminated so that the total present value of all special payments, based on the interest assumption used in the going concern valuation, shall be equal to the going concern unfunded actuarial liability.

Subsection 5(2) replaced: O.I.C. 93-779, N.S. Reg. 132/93.

- (3) As an alternative to the calculation of minimum special payments under clauses (1) (b), (c) and (d), the payments may be determined by reference to a-schedule of payments determined in accordance with subsection (4)
- (a) as of the date the going concern unfunded actuarial liability arose, for-payments referred to in clause (1)(b); or
 - (b) as of the date of the solvency valuation, for payments referred to in-clauses (1)(c) and (d).

Subsection 5(3) replaced: O.I.C. 93-779, N.S. Reg. 132/93.

- (4) The schedule of payments referred to in subsection (3) shall be determined as-follows:
- (a) each scheduled payment shall be a constant percentage of the projected-future payroll of members at the date of establishment of the schedule;
 - (b) the present value of the scheduled payments at the date of establishment of the schedule shall be equal to the amount of the liability being-liquidated;
 - (c) the projected future payroll shall be determined using the same actuarial assumptions as used in the going concern valuation where the going-concern actuarial unfunded liability was determined;
 - (d) the amortization periods for each series of scheduled payments shall be-the same

as the respective periods under clauses (1)(b), (c) and (d); and

Subsection 5(4)(d) replaced: O.I.C. 93-779, N.S. Reg. 132/93.

- (e) the present value of scheduled payments shall be determined
 - (i) for payments referred to in clause (1)(b), using the interest rate-assumed in the going concern valuation, and
 - (ii) for payments referred to in clauses (1)(c) and (d), using the interest-rate assumed in the solvency valuation.

Subsection 5(4)(e) replaced: O.I.C. 93-779, N.S. Reg. 132/93.

- (5) The minimum remaining special payments referred to in clause (1)(a) shall be determined after utilizing any unused actuarial gains existing on December-31, 1987.

5A Notwithstanding clause 5(1)(b), in respect of the Pension Plan for Employees of Nova Scotia Power Incorporated on or after the 10th day of August, 1992, clause 5(1)(b) shall be read, construed, interpreted and given effect in respect of the initial unfunded liability as at August 10, 1992 as if the words "thirty years" were substituted for the words "fifteen years" wherever they appear therein.

Section 5A added: O.I.C. 92-1066, N.S. Reg. 233/92.

Payments - multi-employer plans and defined benefit/defined contribution plans

- 6** (1) A multi-employer pension plan established pursuant to a collective agreement or trust agreement or a pension plan that provides defined benefits where the obligation of an employer to contribute to the pension plan is limited to a fixed amount set out in a collective agreement shall include a provision for the funding of pension benefits and any other benefits provided under the plan which sets out the obligation of an employer or any person required to make contributions on behalf of the employer to contribute in respect of the plan.
- (2) For a pension plan referred to in subsection (1), an employer, or any person required to make contributions on behalf of an employer, shall make-payments to the pension fund or the insurance company, as applicable, of amounts which are not less than
 - (a) any contributions received from employees including money withheld from an employee, whether by payroll deduction or otherwise as the—employee's contribution to the pension plan; and
 - (b) such amounts set out in the applicable collective agreement as are required to be paid by the employer or the person required to make-contributions on behalf of the employer.

- (3) The payments referred to in subsection (2) shall be made within the following-time limits:
- (a) all sums received by the employer from an employee or deducted from an employee's pay as the employee's contribution to the pension plan, within 30 days following the month in which the sum was received or-deducted; and
 - (b) all other amounts, within the time limit specified by the applicable collective agreement but in any event, within 30 days following the month in which the period of employment giving rise to such payments-occurred.
- (4) In the case of a pension plan referred to in subsection (1), the actuary shall, as-part of the report required pursuant to Sections 3(1), 10 or 11,
- (a) perform such tests as will demonstrate the sufficiency of the contributions required by such collective agreement or agreements to provide for the benefits set out in the plan, without consideration of any-provision for reduction of benefits set out in the plan; or
 - (b) where the contributions are not sufficient to provide the benefits under the plan, the actuary shall propose options available to the administrator of the plan which will have the result that such required contributions—will meet such funding requirements.
- (5) Where an actuary proposes options in accordance with clause (4)(b), the actuary shall file a copy of the report with the Superintendent within 30 days-of submitting the report to the administrator and within the time period referred to in subsection 11(5).

Subsection 6(5) amended: O.I.C. 93-779, N.S. Reg. 132/93.

- (6) Where an actuary has proposed options in accordance with clause (4)(b), the administrator shall take such action as will result in the plan meeting the-funding requirements of this Section within 180 days following the date on which the actuary submitted the report to the administrator.
- (7) Where options have been proposed under clause (4)(b), the administrator shall advise the Superintendent of the action taken in order for the plan to meet the-funding requirements of this Section within 180 days following the date the actuary submitted the report to the administrator and shall file all documents relevant to the action taken.

Utilization of actuarial gain and solvency gain

- 7 (1) Where a report with a review date on or after January 1, 1988 discloses
- (a) an actuarial gain under the plan with respect to a period which begins on-or after January 1, 1988; and

- (b) there is no new solvency deficiency nor any unamortized balance of any previous solvency deficiency first established on or after January 1, 1988,

where the actuarial gain is to be utilized, the amount of the actuarial gain shall first be applied to reduce the outstanding balance of any going concern unfunded actuarial liability.

- (2) Where the outstanding balance of a going concern unfunded actuarial liability is reduced under subsection (1), the balance remaining may be reamortized over the same or a shorter period.
- (3) Where a report with a review date on or after January 1, 1988 discloses an actuarial gain and there is either a new solvency deficiency or an unamortized balance of a previous solvency deficiency, the amount of the actuarial gain shall not be applied to reduce any previously scheduled special payments within the remaining amortization period for any solvency deficiency.
- (4) Where there is no going concern unfunded actuarial liability or solvency deficiency, the actuarial gain referred to in subsection (1) may be applied to reduce any employer contributions for normal cost.
- (5) Where an actuarial gain is not utilized as from the review date on which such actuarial gain is reported, any subsequent utilization of such actuarial gain shall be subject to the requirements
 - (a) of subsection (1), where there is no remaining unamortized balance of a solvency deficiency at the time such actuarial gain is utilized, or
 - (b) of subsection (3), where there is any remaining balance of a solvency deficiency at the time such actuarial gain is utilized.
- (6) A solvency gain may only be applied to reduce the total of any new solvency deficiency and the unamortized balances of any previous solvency deficiency, and where such application is made,
 - (i) the remaining solvency deficiency may be reamortized over the same or a shorter period, and
 - (ii) the remaining special payments with respect to any further going concern unfunded actuarial liabilities shall be recalculated, taking into account the results of the current going concern valuation.

Funding of escalated adjustments

- 8
- (1) Where a pension plan provides for escalated adjustments, the estimated future costs of the escalated adjustments may be excluded from the funding requirements set out in Sections 4, 5 and 6.
 - (2) Where an escalated adjustment has been made from the pension fund, the amounts, to the extent that they have not been prefunded, shall be deemed to-be part of the normal cost.
 - (3) For the purposes of a report required by Section 10 or 11, factors attributable to an escalated adjustment may be excluded in determining the existence or amount of any going concern unfunded actuarial liability.

Reduction of special payments

- 9
- (1) Where the rate of special payments has been greater than the minimum rate required under subsection 5(1) by the making of
 - (a) a special payment in advance; or
 - (b) an additional payment of any kind,

the amount of special payments for subsequent periods may be reduced provided that the outstanding balance of any going concern unfunded actuarial liability or solvency deficiency shall at no time be greater than it would have been had the special payment required under subsection 5(1) been made, taking into account the effect of any application of an actuarial gain or a solvency gain in accordance with Section 7.
 - (2) Where the date of filing a report under Section 3(1), 10 or 11 is later than the review date of the report, the employer shall pay into the pension fund within sixty days of the filing of the report, all monthly amounts that have not yet been paid into the pension fund, calculated from the date on which they are required to be made to the date of filing the report with the Superintendent, plus interest at the going concern valuation rate or the solvency valuation rate as applicable.

Reports

- 10
- (1) Within sixty days or such longer period as approved by the Superintendent after the date of establishment of the plan, the administrator shall submit an actuarial valuation report by a person authorized by Section 12 certifying, on the basis of a going concern valuation,
 - (a) the normal cost, in the first year during which such plan is registered and the rule for computing such cost in subsequent years up to the date of the next report;
 - (b) an estimate of the normal cost, in the subsequent years up to the date of the next actuarial valuation report;
 - (c) where applicable, the estimated aggregate employee contributions to the pension

plan during each year up to the date of the succeeding report;

- (d) the past service unfunded actuarial liability, if any, under the pension plan as at the date on which the plan qualified for registration;
- (e) the special payments required to liquidate such past service unfunded-actuarial liability in accordance with Section 5;
- (f) any other going concern unfunded actuarial liability;
- (g) the special payments required to liquidate any going concern unfunded-actuarial liability referred to in clause (f);

Clause 10(1)(g) amended: O.I.C. 93-779, N.S. Reg. 132/93.

- (h) that
 - (i) in the opinion of the person preparing the report, there is no-solvency deficiency, or
 - (ii) there is a solvency deficiency and the special payments required to liquidate it; and
- (i) where the plan provides for an escalated adjustment, whether and to-what extent
 - (i) liability for the future cost of the adjustment has been included in the determination of any going concern unfunded actuarial liability, or
 - (ii) the cost for the escalated adjustment is included in the normal cost.

(2) A cost certificate shall be filed with the actuarial valuation report.

(3) Where an insured pension plan is funded by level premiums extending not beyond the retirement age for each individual member, ~~or where the plan is a defined contribution plan,~~ a cost certificate may certify the adequacy of the premiums to provide for the payment of all benefits under the plan in lieu of the matters required to be certified under subsection (1).

(4) A cost certificate referred to in subsections (2) and (3) shall include

- (a) the estimated cost of benefits under the plan and the contributions to the plan, showing separately employer and plan member contributions during the plan year in respect of which the cost certificate is prepared; and

- (b) the formula for computing the cost of benefits, showing the formula for allocating the cost between the employer and the plan members for-subsequent plan years.

(5) This Section does not apply with respect to a pension plan where all the pension benefits under the plan are defined contribution benefits.

- 11**
- (1)** The administrator of a pension plan shall cause the plan to be reviewed and an actuarial valuation report and a cost certificate prepared by a person authorized by Section 12 not more than three years after the date of the establishment of the plan and at intervals of not more than three years thereafter.
 - (2)** An actuarial valuation report shall certify on the basis of a going concern-valuation
 - (a) the normal cost, in the next succeeding year and the rule for computing-such cost in subsequent years up to the date of the next report;
 - (b) an estimate of the normal cost, in the subsequent years up to the date of-the next report;
 - (c) where applicable, the estimated aggregate employee contributions to the-pension plan during each year up to the date of the succeeding report;
 - (d) the present value of remaining future special payments established in-certificates appended to previous reports;
 - (e) where the plan provides for an escalated adjustment, whether and to-what extent
 - (i) liability for the future cost of the adjustment has been included in the determination of any going concern unfunded actuarial liability, or
 - (ii) the cost for the escalated adjustment is included in the normal cost;
 - (f) the actuarial gain or actuarial loss in the pension plan, and in addition
 - (i) where there is an actuarial loss, the special payments that will liquidate any increase in a going concern unfunded actuarial liability resulting from the loss over a term not exceeding fifteen years, and
 - (ii) where there is an actuarial gain, any intended application of the gain in accordance with Section 7;
 - (g) that

- (i) in the opinion of the person preparing the report, there is no solvency deficiency, or
 - (ii) where there is a solvency deficiency at January 1, 1988, the amount of such solvency deficiency which is attributable to the application of Section 79 of the Act and the special payments required in order to liquidate such solvency deficiency over a period not exceeding 15 years commencing January 1, 1988,
 - (iii) subject to clause (iv) where there is a solvency deficiency, not including any solvency deficiency included in item (ii), the amount of any solvency deficiency and the special payments required in order to liquidate such solvency deficiency over a term not exceeding five years from the date of the earliest solvency valuation in which such solvency deficiency was determined, and the resulting adjustment in the schedule of other future special payments under the plan, and
 - (iv) where there is an unamortized balance of a previous solvency deficiency and there is a solvency gain, the amount of any solvency gain and any intended application of the gain in accordance with Section 7.
- (3) Where an insured pension plan is funded by level premiums extending not beyond the retirement age for each individual member, ~~or where the plan is a defined contribution plan,~~ a cost certificate may certify the adequacy of the premiums to provide for the payment of all benefits under the plan in lieu of the matters required to be certified under subsection (1).
- (4) A cost certificate referred to in this Section shall include
 - (a) the estimated cost of benefits under the plan and the contributions to the plan, showing separately employer and plan member contributions during the plan year in respect of which the cost certificate is prepared;-and
 - (b) the formula for computing the cost of benefits, showing the formula for-allocating the cost between the employer and the plan members for subsequent plan years.
- (5) The administrator shall file the actuarial valuation report and cost certificate with the Superintendent within one year of the review date established for the-report referred to in subsection (1).
- (6) This Section does not apply with respect to a pension plan where all the pension benefits provided under the plan are defined contribution benefits.

12 The reports and certificates referred to in Sections 3(1), 10 and 11 and Section 75 of the Act (wind-up report) shall be made by an actuary, except that reports and certificates in respect of

- (a) a pension plan where all pension benefits are defined contribution-benefits;
- (b) a fully insured pension plan, established prior to January 1, 1988, underwritten by a contract or contracts with an insurance company and which does not require any contributions to be made by employees; or
- (c) a pension plan underwritten by a contract or contracts issued under the Government Annuities Act (Canada),

may be made by an accountant or a person authorized by an insurance company, a trust company or by the Annuities Branch, Department of Labour (Canada), responsible for administering the pension plan or pension fund.

13 The report of an actuary filed with the Superintendent under Sections 3(1), 10 or 11 and [or] Section 75 of the Act (wind-up report) shall be prepared using assumptions that are appropriate for the plan and methods consistent with the sound principles established by precedents or common usage within the actuarial profession accepted actuarial practice and with the requirements of the Act and this [these] regulation[s].

Solvency valuation

14 (1) To determine the existence of a solvency deficiency for the purposes of a report under Sections 3, 4, 10 and 11, a solvency valuation shall be performed in the following manner:

1. The solvency liabilities of a pension plan shall be not less than the liabilities of the pension plan determined as if the plan had been wound up, not taking into account liabilities for escalated adjustments but taking into account the requirements of Section 79 of the Act (member-entitlements on wind-up).
2. For a multi-employer pension plan established pursuant to one or more collective agreements or a trust agreement or a pension plan that provides defined benefits where the obligation of an employer to contribute to the pension fund is limited to a fixed amount set out in a collective agreement, the solvency liabilities shall be determined on the basis of the benefits structure set out in the plan at the date of the valuation, without consideration of any provision for the possible reduction of such benefits.
3. The solvency assets shall be the sum of
 - (a) the market value of investments held by the pension plan or a value related to the market value by means of an averaging method which stabilizes

short-term fluctuations of such market values over a period of not more than five years, plus any cash balances and accrued or receivable income items;

- (b) the present value of any remaining special payments established before January 1, 1988;
 - (c) the present value of any special payments required to liquidate any solvency deficiencies created under the Act and established on January 1, 1988 and any past service unfunded actuarial liability established on or after January 1, 1988; and
 - (d) the present value of any other special payments established on or after January 1, 1988 which are scheduled for payment within five years of the review date.
- 4. The present values referred to in items 3(b), (c) and (d) shall be determined on the basis of the assumed interest rate used in the solvency valuation.
 - 5. The solvency deficiency is the excess of the solvency liabilities over the solvency assets.
- (2) Where there is not a market value for an investment of a pension plan and the investment is issued or guaranteed by a government, the book value of the investment may be used instead of market value in clause 14(1)3.

Annual information return

- 15** (1) The annual information return required under Section 27 of the Act shall be delivered to the Superintendent not later than 6 months following the end of the fiscal year of the pension plan, except as required under subsection 27(4).
- (2) The annual information return shall be accompanied by a fee of
- (a) \$5.00 for each member of the pension plan in Nova Scotia or a designated province; or
 - (b) where the Superintendent administers a pension plan under an agreement with the Government of Canada under Section 7 of the Act (reciprocal agreements), \$5.00 for each member of the plan,

but the total fee payable shall be not less than \$100.00 and not more than ~~\$5,000.00~~ \$7,500.00.

Subsection 15(2) replaced: O.I.C. 91-617, N.S. Reg. 113/91; amended: O.I.C. 94-579, N.S. Reg. 80/95.

- (3) Where the annual information return is delivered to the Superintendent more than 6 months following the end of the fiscal year of the pension plan, a fee of
- (a) \$7.50 shall be paid in respect of each member of the pension plan in Nova Scotia or a designated province; or
 - (b) where the Superintendent administers a pension plan under an agreement with the Government of Canada under Section 7 of the Act (reciprocal agreements), \$7.50 shall be paid in respect of each member of the plan,

but the total fee payable shall not be less than \$150.00 and not more than ~~\$7,500.00~~ \$11,250.00.

Subsection 15(3) replaced: O.I.C. 91-617, N.S. Reg. 113/91; amended: O.I.C. 94-579, N.S. Reg. 80/95.

15A Despite Section 15, where an obligation to file a return pursuant to Section 27 of the Act arises before August 1, 1994, but the return is not filed until August 1, 1994, or later, the fees payable pursuant to Section 15 of these regulations are payable at the rates applicable pursuant to that Section before August 1, 1994.

Section 15A added: O.I.C. 94-579, N.S. Reg. 80/95.

Commuted value and portability of pension benefits

16 (1) In this Section

- (a) "transfer ratio" shall mean the ratio of the market value of investments held by the pension plan or a value related to the market value by means of an averaging method which stabilizes short-term fluctuations of market values over a period of not more than five years, plus any cash balances and accrued or receivable income items to the solvency-liabilities determined as of the same date in accordance with Section 14;
 - (b) "transfer deficiency" shall mean the amount by which the commuted value of a benefit determined in accordance with subsection (2) exceeds the transfer value of that benefit determined in accordance with subsection (3).
- (2) ~~Except where a pension plan is wound up in whole or in part~~ For the purposes of subsection 50(1) of the Act, the commuted value of a pension, deferred pension, or ancillary benefit or pension benefit shall not be less than the value determined in accordance with "Recommendations for the Computation of Minimum Transfer Values of Deferred Pensions from Registered Pension Plans" issued by the Canadian Institute of Actuaries from time to time or such other method as determined or approved by the Superintendent.

(2A) Subsection (2) does not apply if a pension plan is being wound up in whole or in part.

- (2B)** For purposes other than those of subsection 50(1) of the Act and subsection 27(2), the commuted value of a pension, deferred pension or ancillary benefit shall be calculated using methods and actuarial assumptions that are consistent with accepted actuarial practice.
- (3)** The transfer value of a benefit as of a given date shall be determined by multiplying the commuted value, as determined in accordance with subsection (2), by the lesser of
- (a) the most recently determined transfer ratio; or
 - (b) 1.00.
- (4)** Subject to subsection (5), where a pension plan has a transfer ratio that is greater than or equal to 1.00, the administrator may transfer the commuted value of a pension, deferred pension or ancillary benefit in accordance with Section 50 (transfer rights), 51 (purchase by administrator), 56 (pre-retirement death) or 61 (~~marriage breakdown~~ separation) of the Act.
- (5)** Where the administrator of a pension plan has reason to believe that the transfer ratio of the pension plan may have been materially reduced since the last valuation, the administrator shall not permit the transfer without the prior-approval of the Superintendent or having a new transfer ratio determined by an actuary.
- (6)** Where the transfer value is calculated on a basis more generous than the minimum basis prescribed by ~~this~~ [these] regulation[s], the actuary shall perform such supplementary calculations as he considers necessary to enable certification that the transfer will not reduce the transfer ratio of the plan below 1.00, or, where the transfer ratio of the plan prior to the transfer was less than 1.00, to a ratio lower than the ratio in existence prior to the transfer.
- (7)** Where a pension plan has a transfer ratio that is less than 1.00, the administrator may transfer the commuted value of a pension, deferred pension or an ancillary benefit on a 100% basis where
- (a) the administrator of the plan is satisfied that an amount equal to the transfer deficiency has been remitted to the pension fund; or
 - (b) the transfer deficiency for the individual transfer is less than 5% of the year's maximum pensionable earnings for that year and the aggregate of transfer deficiencies for all transfers made since the last review date do not exceed 5% of the assets of the plan at that time.
- (8)** Where less than 100% of the commuted value of a pension, deferred pension or ancillary benefit is transferred, the balance including interest thereon calculated at the rate ~~credited to member contributions under Section 23~~ used to calculate the commuted value of the pension, deferred pension or ancillary benefit, shall be transferred by the administrator within five years of the date of the initial transfer and any transfer subsequent to the initial transfer shall

be in accordance with subsection (7).

(9) Any amounts transferred pursuant to a reciprocal transfer agreement that has been filed with the Superintendent shall be not subject to subsections (3) through (8).

(10) Despite subsections (4) and (7), the administrator shall not transfer the commuted value of any portion of a pension, deferred pension or ancillary benefit attributable to a benefit the liability for which was excluded in calculating the plan's solvency liabilities unless, in the report most recently filed or submitted under Section 3, 4, 10 or 11, the liability for the benefit is included in calculating the plan's solvency liabilities, or an amount equal to the commuted value of the benefit is first paid into the pension fund by an employer.

~~(11) For the purposes of determining a transfer value under Section 61 of the Act, the value of any benefit payable to a spouse or common-law partner of a member will be based on the age of the spouse or common-law partner of the member at the date of termination, and no allowance need be made for the possibility of the member acquiring a different spouse or common-law partner after the date of termination.~~

(11) With the prior approval of the Superintendent under Section 50 of Act, the administrator may make transfers that would otherwise be prohibited by subsection (9).

~~(10) 16A For the purposes of this Section, where there is not a market value for an investment clause (d) of subsection 45(5) of the Act, "benefits that result from voluntary contributions for past service" means, with respect to a member of a pension plan and the investment is issued or guaranteed by a government, the book value of the investment may be used for purposes of determining the transfer ratio.~~

~~, pension benefits credited to the member as a result of his or her election under the plan to make voluntary contributions in order to purchase pension benefits relating to a period of employment before the date on which the member made the election.~~

17 (1) A member of a pension plan who makes an election under Section 50 of the Act (portability) or a person who is entitled to make an election under Section 61 of the Act (~~marriage breakdown~~ separation transfer) shall deliver a completed direction to the administrator within ~~60~~ 90 days following the later of termination of employment or the receipt of the statement required to be provided under subsection (1) of Section 34 of the Act or, in the case of a person entitled to make an election under Section 61 of the Act, within 90 days after receipt of notice of termination.

Subsection 17(1) amended: O.I.C. 93-779, N.S. Reg. 132/93.

(2) The administrator shall comply with an election made under subsection (1) within 60 days of receipt of all information required by the administrator to comply with the direction.

(3) The administrator shall not transfer the commuted value or portion thereof of a pension or deferred pension except where the transferee agrees to administer the amount transferred as a pension or deferred pension in accordance with the Act and this [these] regulation[s].

~~(4) Notwithstanding [subsections] (1) and (2), the Superintendent on request may grant an extension up to an additional 60 days under this Section.~~

18 (1) For purposes of Section clause 50(1)(b) and Section 61 of the Act, a registered retirement savings plan established in accordance with the Income Tax Act (Canada) locked-in retirement account is a prescribed retirement savings arrangement.

(1A) A transferee as referred to in this Section is an administrator for the purposes of Section 71A of the Act.

Subsection 18(1A) added: O.I.C. 2001-264, N.S. Reg. 58/2001.

(2) A contract to establish a registered locked-in retirement savings plan account for purposes of a transfer under Sections 50 and Section 61 of the Act shall include the following provisions:

(a) all money transferred, including all investment earnings, in the account shall not be withdrawn except

(i) prior to maturity, to transfer the money to the pension fund of a registered pension plan,

~~(ii) prior to maturity, to transfer the money to another registered retirement savings plan~~ to transfer it to another locked-in retirement account that meets the requirements of this Section,

(iii) to purchase only an immediate or deferred life annuity described in subsection (5) that is provided by a person authorized under the laws of Canada or a province to sell annuities as defined in Section 248 of the Income Tax Act (Canada) under an insurance contract that meets the requirements of Section 19, provided the annuity does not commence on a date earlier than 10 years prior to the earliest normal retirement date provided under any of the pension plans from which the funds have been transferred, or

Subclause 18(2)(a)(iii) amended: O.I.C. 93-779, N.S. Reg. 132/93.

(iv) prior to maturity, to transfer the money to a life income fund or;

Subclause 18(2)(a)(iv) added: O.I.C. 93-779, N.S. Reg. 132/93.

(v) to pay it in accordance with Section 19C or 19D.

(b) all money transferred, plus interest, in the account shall not be assigned, charged,

anticipated or given as security except as permitted by subsection 70(3) or Section 71A of the Act and any transaction purporting to assign, charge, anticipate or give the money transferred in the account as security is void;

Clause 18(2)(b) replaced: O.I.C. 2001-264, N.S. Reg. 58/2001.

- (c) except as provided in Section 57 or Section 71A of the Act or Section 19C or 19D (disability), all money transferred, plus interest including investment earnings, shall not be commuted or surrendered during the lifetime of the member and that any transaction purporting to surrender or commute the money transferred in the account is void;
 - (d) the transferee shall not permit any subsequent transfer except
 - (i) where such transfer would be permitted under the Act and the regulations, and
 - (ii) the subsequent transferee agrees to administer the amount transferred as a pension or deferred pension in accordance with this Act and the [se] regulations;
 - (e) the transferee shall advise in writing any subsequent transferee that the amount transferred must be administered as a pension or deferred pension under the Act and this [these] regulation[s]; and
 - (f) on the death of the holder of the registered locked-in retirement savings arrangement account, the spouse or common-law partner, or if there is no spouse or common-law partner, the beneficiary or the estate of the holder, shall be entitled to the full value of the registered retirement savings arrangement account.
- (3) Where the commuted value of a pension benefit which was transferred to a retirement savings arrangement was determined in a manner that did not differentiate on the basis of sex, the immediate or deferred life annuity purchased with the funds in the arrangement shall not differentiate on the basis of the sex of the recipient.
- (4) Where a retirement savings arrangement results from the transfer of the commuted value of a pension benefit, the arrangement shall contain a statement as to whether the commuted value was determined on a basis that differentiated on the basis of sex.
- (5) In this Section, "life income Annuity that is purchased with funds" means from a life income fund that meets the requirements set out in Section 18A, or a locked-in retirement account must not begin before the earlier of,
- (a) the earliest date on which the former member is entitled to receive pension benefits under the Act as a result of termination of employment or termination of membership in any pension plan from which money was transferred into the locked-in retirement account or life income fund; or

- (b) the earliest date on which the former member is entitled to receive pension benefits under any pension plan described in clause (a) as a result of termination of employment or termination of membership in the plan.

Subsection 18(5) added: O.I.C. 93-779, N.S. Reg. 132/93.

- (6) A locked-in retirement account shall contain a statement as to whether the commuted value of the pension benefit that was transferred into it was determined in a manner that differentiated on the basis of sex.

Life Income Fund Requirements

18A (1) For the purposes of Section 50(1)(b) of the Act, a life income fund, is a prescribed retirement savings arrangement.

(1A) A transferee as referred to in this Section is an administrator for the purposes of Section 71A of the Act.

Subsection 18A(1A) added: O.I.C. 2001-264, N.S. Reg. 58/2001.

~~(2) The conditions on which a transfer of locked-in money to a LIF under Section 50 or subsection 51(1B) of the Act and any subsequent transfer to a financial institution of money so transferred are to be made are as set out in this Section.~~

~~(3) A life income fund may be purchased with respect to an entitlement to a pension under a pension plan by~~

~~(a) a member or former member of the pension plan who has obtained the written consent of his or her spouse, if any; or~~

~~(b) the spouse or former spouse of a member or former member if the spouse or former spouse is entitled to a pension benefit as a result of the death of the member or former member or as a result of marriage breakdown.~~

Section 18A added: O.I.C. 93-779, N.S. Reg. 132/93.

~~**18B (1)** In this Section~~

~~(a) "financial institution" means the underwriter, depository or issuer of a LIF;~~

~~(b) "fiscal year" means a fiscal year of the LIF;~~

~~(c) "LIF" means a retirement income arrangement, known as a life income fund, that is a RRIF and that meets the conditions set out in this Section;~~

~~(d) "locked-in RRSP" means a retirement savings arrangement that meets the requirements of Section 18;~~

~~(e) "life annuity contract" means an arrangement made to purchase through a person authorized under the laws of Canada or a province to sell annuities as defined in Section 248 of the Income Tax Act (Canada), a non-commutable pension commencing not later than the end of the calendar year in which the person who is to receive the pension attains the age of~~

~~(i) 71 years where money is being transferred from a locked-in RRSP, and~~

~~(ii) 80 years where money is being transferred from a LIF;~~

~~being a pension that will not commence before that person attains the age of 55 years, or, if that person provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred provided for payment of the pension at an earlier age, that earlier age;~~

~~(f) "list" means the appropriate list established and maintained under subsection (3);~~

~~(g) "owner" means the member or former member of a pension plan who has made a transfer pursuant to Section 50 or subsection 51(1B) of the Act to a LIF and, except where otherwise stated, includes the surviving spouse owner;~~

~~(h) "RRIF" means retirement income fund within the meaning of the Income Tax Act (Canada) that is registered under the Income Tax Act (Canada);~~

~~(i) "surviving spouse owner" means~~

~~(i) the surviving spouse, as described under clause (b) of subsection (3) of Section 18A, and~~

~~(ii) the surviving spouse of an owner;~~

~~(j) "transfer" means a transfer referred to in this subsection.~~

~~(2) For the purposes of this Section, a LIF or an amendment to a LIF is acknowledged~~

where it has been filed with the Superintendent and where the Superintendent has provided written notice to the person who filed it, whether before or after the effective date of this subsection, acknowledging the filing.

- ~~(3) The Superintendent shall, for the purpose of this Section, establish and maintain a list of
 - ~~(a) the names of financial institutions that are entitled to issue and that do offer LIFs; and~~
 - ~~(b) the LIFs that are, or are to be, issued.~~~~
- ~~(4) A financial institution must have filed with the Superintendent a specimen certified copy of a LIF, including any amendments made to a LIF and paid a one-time filing fee of \$1,000.00.~~

Subsection 18B(4) amended: O.I.C. 94-579, N.S. Reg. 80/95.

- ~~(5) A financial institution may only use for any transfer, a LIF that is in the form, as amended where applicable, that has been acknowledged by the Superintendent for transfers.~~
- ~~(6) A financial institution shall not accept any transfer unless
 - ~~(a) the transfer complies as to form with the specimen certified copy of the LIF, as amended where applicable, that has been acknowledged by the Superintendent for transfers; and~~
 - ~~(b) the financial institution has been notified in writing by the Superintendent that its name and LIF are on the list and it has not been notified that either its name or its LIF has been removed from such list.~~~~
- ~~(7) The Superintendent may, without affecting the duties or liability of a financial institution in relation to any transfer or LIF, remove the financial institution's name or LIF from the list if a specimen certified copy of any LIF or amendments thereto have not been filed with the Superintendent or if the financial institution has acted in breach of any of its obligations under this Section.~~
- ~~(8) An administrator shall not effect a transfer to a financial institution unless the administrator has
 - ~~(a) ascertained that the financial institution's name and LIF are currently on the list; and~~~~

- ~~(b) advised the financial institution in writing that, subject to subsection (14), no withdrawal, commutation or surrender of money is permitted.~~
- ~~(9) If the administrator has not complied with subsection (8) and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner described in subsection (12), the pension plan continues to be liable to ensure that the prospective recipients receive a pension in a manner and in the amount that would have been provided had the transfer not been made.~~
- ~~(10) Where the owner receives any money from the transferee financial institution in respect of which the pension plan is required to meet and does meet its continuing liability under subsection (9), the pension plan has a right of action against the owner for that money.~~
- ~~(11) Subsections (8), (9) and (10) apply to the transferor and transferee financial institutions referred to in subsection (14) as if the transferring financial institution were the administrator and the pension plan and as if the transferee financial institution referred to in that clause were accepting the transfer from the administrator.~~
- ~~(12) A LIF contract must incorporate the applicable definitions set out in Section 2 of the Act and set out in subsections (1) and (2) of this Section and shall include the following provisions:~~
- ~~(a) all money, including all investment earnings, that is subject to any transfer shall be used to provide or secure a pension that would, but for the transfer and previous transfers, if any, be required or permitted by the Act and this Section;~~
- ~~(b) such money may not be assigned, charged, or given as security except as permitted by subsection 70(3) or Section 71A of the Act and any transaction purporting to assign, charge or give such money transferred as security is void;~~

Clause 18B(12)(b) replaced: O.I.C. 2001-264, N.S. Reg. 58/2001.

- ~~(c) such money will be invested in a manner that complies with the rules for the investment of RRIF money contained in the Income Tax Act (Canada) and the regulations thereunder and will not be invested, directly or indirectly, in any mortgage in respect of which the mortgagor is the owner of the LIF or the parent, brother, sister or child of the owner of the LIF or the spouse of any such person;~~
- ~~(d) if such money is paid out contrary to the Act or this Section, the financial~~

institution shall provide to the owner or ensure the provision of a pension in a manner and in the amount that would have been provided had the money not been paid out;

- ~~(e) the transferor financial institution shall ensure that the transferee financial institution's name and LIF are on the list for LIFs;~~
- ~~(f) that the transferor financial institution, before transferring money to another financial institution, shall advise the transferee financial institution in writing of the locked-in status of the money to be transferred and shall ensure that the transferee financial institution makes its acceptance of the transfer subject to the conditions provided for in this subsection;~~
- ~~(g) if the transferor financial institution does not comply with clauses (e) or (f) and the transferee financial institution fails to pay the money transferred in the form of a pension or in the manner required or permitted by this Section, the transferor financial institution shall not transfer such money and shall provide to the owner or ensure the provision of the pension referred to in clause (d);~~
- ~~(h) the pension to be provided to an owner with a spouse, other than a surviving spouse owner, at the date when the owner commences the pension is to be such joint life pension as would, if the owner were a former member, be in compliance with Section 52 of the Act, unless the spouse waives the entitlement in the form and manner prescribed;~~
- ~~(i) on the death of an owner with a spouse, other than a surviving spouse owner, such money shall be payable to the surviving spouse on the date of death of the owner;~~
- ~~(j) money that is not locked in shall not be transferred to or held under a LIF unless the locked-in money is to be held in a separate account which will contain only locked-in money;~~
- ~~(k) if the owner has not provided the financial institution holding the contract with the necessary documentation to commence payment of a pension, the financial institution shall, before the end of the calendar year in which the owner attains the age of 80 years, purchase an immediate life annuity contract for the owner or provide for a pension in compliance with the Act and this [these] regulation[s];~~
- ~~(l) where the commuted value of a pension benefit which was transferred to a LIF was determined in a manner that did not differentiate on the basis of sex;~~

~~the immediate or deferred life annuity purchased with the funds in the LIF shall not differentiate on the basis of the sex of the recipient;~~

~~(m) where a LIF results from the transfer of the commuted value of a pension benefit, the LIF shall contain a statement as to whether the commuted value was determined on a basis that differentiated on the basis of sex;~~

~~(n) subject to clause (p), prior to using the balance of the LIF to purchase an immediate life annuity contract, the owner will be allowed to transfer all or part of the balance of the LIF~~

~~(i) to another acknowledged LIF, on the relevant conditions specified in this Section;~~

~~(ii) to the purchase of a deferred life annuity contract that meets the conditions of Section 19, or~~

~~(iii) to an acknowledged locked-in RRSP on the relevant conditions specified in Section 18;~~

~~(o) at any time prior to the date referred to in clause (p) the owner will be allowed to use all or part of the balance of the LIF to purchase an immediate life annuity contract that meets the conditions of Section 19;~~

~~(p) the balance of the LIF must be used to purchase an immediate life annuity contract that meets the conditions of Section 19 not later than December 31 of the year in which the owner attains the age of 80 years;~~

~~(q) on or within a period after the death of the owner, the balance in the LIF shall be paid to or for the benefit of the surviving spouse owner or, if there is no surviving spouse owner, the designated beneficiary or, if there is no valid designation of beneficiary, the personal representatives of the estate in their representative capacity;~~

~~(r) the fiscal year ends on December 31 in each year and never exceeds 12 months;~~

~~(s) the owner of the LIF shall be paid an income from the LIF, the amount of which may vary annually;~~

~~(t) payment of the income from the LIF to the owner will commence on a date no earlier than 10 years prior to the earliest normal retirement date provided under any of the pension plans from which the funds have been transferred~~

and not later than the last day of the second fiscal year;

~~(u) the method and factors that are to be used to establish the value of the LIF or the balance of the LIF for the purpose of~~

~~(i) a transfer of assets,~~

~~(ii) the purchase of a life annuity contract, and~~

~~(iii) a payment or transfer on death of the owner;~~

~~(v) the owner shall establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in clause (a) of subsection (13) except that if the financial institution guarantees the rate of return of the LIF over a period that is greater than one year and that ends at the end of a fiscal year, then the owner may establish the amount of income to be paid during that period at the beginning of that period;~~

~~(w) the amount of income paid during a fiscal year is not less than the minimum amount required to be paid under the Income Tax Act (Canada) and does not exceed M, with that symbol being calculated in accordance with the following formula:~~

$$C \div F = M,$$

where

~~C = the balance of money in the LIF on the first day of the fiscal year, and~~

~~F = the value on January 1 of the year in which the calculation is made of an amount of which the annual payment is \$1 payable at the beginning of each fiscal year between that date and December 31 of the year during which the owner attains the age of 90 years;~~

~~(x) for the initial fiscal year, the minimum amount to be paid, as referred to in clause (w) is set at zero and the limit M is adjusted in proportion to the number of months in the fiscal year divided by 12, with any part of an incomplete month counting as one month;~~

~~(y) if the money in the LIF is derived from money transferred directly or indirectly during the first fiscal year from another LIF of the owner, the limit M is equal to zero except to the extent that the Income Tax Act (Canada) requires the payment of higher amount;~~

- ~~(z) if in any fiscal year an additional transfer is made to the LIF and that additional transfer has never been under a LIF before, an additional withdrawal will be allowed in that fiscal year;~~
- ~~(aa) the additional amount of withdrawal referred to in clause (z) will not exceed the maximum amount that would be calculated under this Section if the additional transfer were being transferred into a separate contract and not the existing LIF with clause (x) applying;~~
- ~~(ab) the value F in clause (w) is calculated by using
 - ~~(i) an interest rate of not more than 6% per year, or~~
 - ~~(ii) for the first 15 years after the date of the valuation, an interest rate exceeding 6% per year if that rate does not exceed the interest rate obtained on long-term bonds issued by the Government of Canada for the month of November preceding the year of the valuation, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013, and using an interest rate not exceeding 6% in subsequent years;~~~~
- ~~(ac) where, in the application of clause (v), the amount of income to be paid to the owner is fixed at an interval of more than one year, clauses (w), (x), (y) and (ab) will apply with such modifications as the circumstances require to determine, at the date of the beginning of the first fiscal year in the interval, the amount of income to be paid for each fiscal year in that interval;~~
- ~~(ad) where the LIF includes identifiable and transferable securities, the transfer or purchase referred to in clauses (n), (o) and (p) may, unless otherwise stipulated, at the option of the financial institution and with the consent of the owner, be effected by remittance of the investment securities of the contract; and~~
- ~~(ae) an agreement by the financial institution to provide the information specified in subsection (13).~~

~~(13) The financial institution shall provide~~

- ~~(a) to the owner, at the beginning of each fiscal year, information on
 - ~~(i) the sums deposited, the investment income earned, the payments made out of the LIF and the fees charged against it during the previous fiscal year;~~~~

~~(ii) the balance in the LIF, and~~

~~(iii) the minimum amount that must, and the maximum amount that may, be paid out of the LIF to the owner during the current fiscal year;~~

~~(b) to the owner, if the balance in the LIF is transferred as described in clause (12)(n), the information described in clause (a), as of the date of the transfer; and~~

~~(c) to the person entitled to receive the balance, if the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under clause (12)(n), the information described in clause (a), as of the date of death.~~

~~(14) Despite subsection (12), the LIF may provide for the withdrawal of money as a lump sum or as a series of payments for the purposes of Section 57 of the Act where a physician certifies that due to mental or physical disability, the life expectancy of the owner is likely to be shortened considerably if the owner provides evidence to the satisfaction of the financial institution that the plan or any of the plans from which the money was transferred, provided for such withdrawal.~~

~~(15) To the extent that a LIF does not in any respect effect a contractual provision required by subsection (12), the LIF shall be deemed to make such provision in that respect as would make it comply with subsection (12).~~

~~(16) Financial institutions shall comply with the contractual provisions provided for in subsection (12) in respect of a LIF to which they are a party, or ensure that they are complied with.~~

~~(17) The LIF must comply with the conditions for registration under the Income Tax Act (Canada) and, once registered, must remain registered.~~

~~Section 18B added: O.I.C. 93-779, N.S. Reg. 132/93.~~

(1.1) The life income fund must comply with the conditions for registration under the Income Tax Act to be a registered retirement income fund and, once registered, must remain registered.

(1.2) The life income fund will be invested in a manner that complies with the rules for the investment of RRIF money contained in the Income Tax Act (Canada) and the regulations thereunder.

(1.3) A life income fund established by the financial institution must meet the requirements of this section.

(1.4) "financial institution" means the underwriter, depositary or issuer of a LIF

(1.5) "LIF" means a life income fund established under this section;

(1.6) "LIRA" means a locked-in retirement account;

(1.7) "list" means the appropriate list established and maintained under subsection (3);

(1.8) "owner" means the former member of a pension plan who has made a transfer pursuant to Section 50 of the Act to a LIF and, except where otherwise stated, includes the spouse or common-law partner if the spouse or common-law partner had made a transfer of a pension benefit as a result of the death of the member or former member or as a result of a division of a pension or pension benefits pursuant to Section 61 of the Act;

(1.9) "RRIF" means a registered retirement income fund established in accordance with the *Income Tax Act* (Canada);

(2.0) "RRSP" means a registered retirement savings plan established in accordance with the *Income Tax Act* (Canada);

Establishing the Fund

(2) Pension benefits may be transferred to a LIF by

(a) a former member of a pension plan, including a former member who has previously transferred an amount under Section 50(1)(b), who has obtained the written consent of his or her spouse or common-law partner, if any;

(b) the spouse or common-law partner of a member or former member if the spouse or common-law partner is entitled to a pension benefit as a result of the death of the member or former member or as a result of a division of pension benefits pursuant to Section 61 of the Act; or

(c) a person who has previously transferred an amount under Section 61 of the Act into a locked-in retirement account.

(3) The only money that may be transferred to a LIF are amounts transferred under clause 50(1)(b) of the Act, all or part of the money held in a LIRA or transferred from another LIF.

(3a) The owner may not commence income under a LIF earlier than the earliest date on which the owner would have been entitled to receive payment of pension benefits under any of the pension plans from which the money was transferred.

LIF Contract

(4) A LIF contract must

- a) indicate the name and address of the financial institution providing the fund;
- b) describe the owner's rights, if any, respecting the investment of the fund;
- c) include as part of the contract the **Nova Scotia LIF Addendum**;
- d) establish the method and factors used to establish the value of the fund for the purpose of a transfer of assets or purchase of an annuity or payment upon the owner's death; and
- e) include as part of the contract an agreement in accordance with subsection (12).

Superintendent's List

(5) A financial institution must file a specimen LIF contract with the Superintendent, for his or her approval, together with a one-time filing fee of \$1000, payable to the Minister of Finance. Amendments to the LIF must be filed with the Superintendent, for his or her approval, and must be accompanied by a fee of \$250.

(6) The Superintendent shall establish and maintain a list of

- (a) the financial institutions for which a contract is approved under subsection (5); and
- (b) the LIFs that are approved under subsection (5)

(7) A financial institution may only issue a LIF when it has been notified in writing by the Superintendent that its name and LIF are on the list, and has not been notified in writing by the Superintendent that it has been removed from the list pursuant to subsection 8.

(8) The Superintendent may, without affecting the duties or liability of a financial institution in relation to any transfer or LIF, remove the financial institution's name or LIF from the list if a specimen certified copy of any LIF or amendments thereto have not been filed with the Superintendent or if the financial institution has acted in breach of any of its obligations under this Section.

Administrators Duties

(9) An administrator shall not effect a transfer to a LIF issued by a financial institution unless

the administrator has ascertained that the financial institution's name and LIF are currently on the list, referred to in subsection 6 of this Section.

(10) An administrator shall advise the financial institution as to whether the commuted value of the pension benefit transferred to the financial institution was determined in a manner that differentiated on the basis of sex.

(11) An administrator shall advise the financial institution of the earliest date on which the former member would have been entitled to receive payment of pension benefits under the pension plan from which the funds have been transferred.

Amending the contract

(12) (a) The LIF contract shall provide that the financial institution issuing the fund shall not amend the contract except as provided in this section.

(b) The financial institution must give the owner at least 90 days notice of a proposed amendment, other than an amendment described in subsection (c).

(c) The financial institution must not amend the LIF if the amendment would result in a reduction in the owner's rights under the contract unless,

- (i) the financial institution is required by law to make the amendment; and
- (ii) the owner is entitled to transfer the assets in the fund under the terms of the contract that exist before the amendment is made.

(d) When making an amendment described in subsection (c), the financial institution must notify the owner of the fund of the nature of the amendment and allow the owner at least 90 days after the notice is given to transfer all or part of the assets in the fund.

(e) The financial institution must file any amendments to the contract with the Superintendent.

19 An insurance contract under which a deferred or immediate life annuity will be provided resulting from the transfer of the commuted value of a pension benefit or as the result of a purchase from a locked-in retirement savings arrangement account or life income fund referred to in Section 18 shall contain the following provisions:

- (a) that all money transferred, plus interest, shall not be assigned, charged, anticipated or given as security except as permitted by subsection 70(3) or

Section 71A of the Act and that any transaction purporting to assign, charge, anticipate or give the money transferred as security is void;

Subsection 19(1) redesignated clause 19(a) and replaced: O.I.C. 2001-264, N.S. Reg. 58/2001.

- (b) that, except in the case of the unexpired period of a guaranteed annuity where the annuitant is deceased, no benefit provided under the annuity shall be surrendered or commuted during the lifetime of the member or the member's spouse or common-law partner and any transaction purporting to surrender or commute such benefit is void;

Subsection 19(2) redesignated clause 19(b): O.I.C. 2001-264, N.S. Reg. 58/2001.

- (c) that where the annuitant has a spouse or common-law partner at the time payments commence, the annuity shall be in the form of a joint and survivor annuity as required by Section 52 of the Act unless the annuitant and his or her spouse or common-law partner provide a waiver as set out in Section 54 of the Act; or unless the annuitant's spouse or common-law partner has received a division under Section 61 of the Act.

Subsection 19(3) redesignated clause 19(c): O.I.C. 2001-264, N.S. Reg. 58/2001.

- (d) that the amount of the life annuity accrued after January 1, 1988 shall be determined on a basis which does not take into account the sex of the annuitant, except in the case of a contract which is based entirely upon an amount or amounts transferred from a pension plan administered in accordance with subsection 59(2)(b) of the Act (employer contribution varying based on sex of employee); and

- (i) in the case of a contract which is based entirely upon an amount or amounts transferred from a pension plan administered in accordance with subsection 59(2)(b) of the Act (employer contribution varying based on sex of employee); and

- (ii) in the case of a contract that is purchased with funds from a life income fund or a locked-in retirement account, the commuted value of the pension benefit that was transferred into the life income fund or locked-in retirement account was determined in a manner that differentiated on the basis of sex; and

Subsection 19(4) redesignated clause 19(d): O.I.C. 2001-264, N.S. Reg. 58/2001.

- (e) that on the death of the annuitant prior to payment of the annuity, the insurance company shall administer the annuity in accordance with clause (f) of subsection (2) of Section 18.

Subsection 19(5) amended: O.I.C. 93-779, N.S. Reg. 132/93; redesignated clause 19(e): O.I.C. 2001-264, N.S. Reg. 58/2001.

Section 19 amended: O.I.C. 93-779, N.S. Reg. 132/93.

- 19A** (1) For the purposes of clause 71A(2)(a) of the Act, the cost of complying with an attachment made pursuant to clause 71A(1)(b) of the Act shall be calculated in accordance with this Section.
- (2) The administrator shall calculate the cost of complying with the attachment of a defined benefit as the amount that reasonably represents the cost to the pension plan of complying with the attachment, provided that the cost of complying with the attachment shall not exceed \$500.
- (3) The administrator shall calculate the cost of complying with the attachment of a defined contribution benefit as the amount that reasonably represents the cost to the pension plan of complying with the attachment, provided that the cost of complying with the attachment shall not exceed \$250.
- (4) The cost of complying with the attachment of a deferred life annuity or prescribed registered retirement savings arrangement shall be the amount, not to exceed \$250, that reasonably represents the cost to the transferee of complying with the attachment.

Section 19A added: O.I.C. 2001-264, N.S. Reg. 58/2001.

- 19B** (1) If owner of a locked-in retirement account is required to give a document to a financial institution under Section 19C or 19D, and if the document is one that must be signed by the owner, the document is a nullity if it is signed more than 60 days before the financial institution receives it.
- (2) When the financial institution receives a document required under Section 19C or 19D, the financial institution shall give the owner of the locked-in retirement account a receipt for the document stating the date on which it was received.
- 19C** (1) The owner of a locked-in retirement account may, upon application in accordance with this Section, withdraw all the money in the account if, when the owner signed the application,
- (a) he or she is at least 65 years of age; and
- (b) the value of all assets in all life income funds and locked-in retirement accounts owned by him or her is less than 40 percent of the Year's Maximum Pensionable Earnings for that calendar year.
- (2) An application to withdraw the money from the account must be given to the financial institution that administers the account.

- (3)** The application must be made on a form approved by the Superintendent.
- (4)** The application form must be signed by the owner.
- (5)** The contract governing the account must include the following terms and, if it does not, the contract shall be deemed to include them:
 - (a)** the financial institution is entitled to rely upon the information provided by the owner in an application made under this Section;
 - (b)** an application that meets the requirements of this Section constitutes authorization to the financial institution to pay the money to the owner from the account in accordance with this Section;
 - (c)** the value of all assets in all life income funds and locked-in retirement accounts owned by the owner when he or she signs the application under this Section is to be determined in accordance with the most recent statement about each fund or account given to the owner and each such statement must be dated within one year before the owner signs the application;
 - (d)** the financial institution is required to make the payments to which the owner is entitled under this Section within 30 days after the financial institution receives the completed application form and accompanying document.

- 19D**
- (1)** The owner of a locked-in retirement account may, upon application in accordance with this Section, withdraw all or part of the money in the account if, when the owner signs the application, he or she has a mental or physical disability that is likely to shorten considerably his or her life expectancy.
 - (2)** An application to withdraw money from the account must be given to the financial institution that administers the account.
 - (3)** The application must be made on a form approved by the Superintendent.
 - (4)** The application form must be signed by the owner and be accompanied by the following document:
 - (a)** a statement signed by a physician who is licensed to practise medicine in a jurisdiction in Canada that, in the opinion of the physician, the owner has a mental or physical disability that is likely to shorten considerably his or her life expectancy.

- (5) The contract governing the account must include the following terms and, if it does not, the contract shall be deemed to include them:
- (a) the financial institution is entitled to rely upon the information provided by the owner in an application made under this Section;
 - (b) an application that meets the requirements of this Section constitutes authorization to the financial institution to pay money to the owner from the account in accordance with this Section;
 - (c) the financial institution is required to make the payments to which the owner is entitled under this Section within 30 days after the financial institution receives the completed application form and accompanying documents.

Designated provinces

20 The following provinces and territories of Canada are designated as provinces or territories, as the case may be, in which there is in force legislation substantially similar to the Act:

1. the Province of Alberta,
2. the Province of Quebec,
3. the Northwest Territories and Yukon Territory,
4. the Province of Saskatchewan,
5. the Province of Manitoba,
6. the Province of Ontario,
7. the Province of Newfoundland; and Labrador,
8. the Province of New Brunswick,
9. the Province of British Columbia;
10. the Yukon Territory,
11. the Territory of Nunavut.

Section 20, No. 8 and No. 9 added: O.I.C. 93-779, N.S. Reg. 132/93.

21 Where a plurality of the members of a pension plan is employed in a designated province such plan may be excepted, subject to agreement with the designated province, from a registration or audit under the Act, and for the purpose of ascertaining where the plurality of the members is employed, members not employed in Nova Scotia or a designated province shall not be counted.

Survivor benefits

22 A bridging benefit need not be taken into account when calculating the amount of a

pension for purposes of Section 52(3) of the Act (joint and survivor benefit) or the commuted value of a deferred pension or a pension benefit under Section 56 of the Act (pre-retirement death benefit).

Interest

23 (1) In the case of a pension plan which provides defined contribution benefits, on and after January 1, 1988 contributions made by or on behalf of members and former members shall be credited not less frequently than annually with such rate of return as can reasonably be attributed to the operation of the pension fund or that part of the pension fund to which the contributions are made.

Subsection 23(1) amended: O.I.C. 93-779, N.S. Reg. 132/93.

(2) In the case of a pension plan which provides defined benefits, on and after January 1, 1988 contributions of members and former members, other than additional voluntary contributions, shall, as a minimum, be credited not less frequently than annually with either

(a) interest to be calculated on the basis of the average of the yields of five year personal fixed term chartered bank deposit rates, (CANSIM Series-B 14045), over a reasonably recent period, the averaging period not to exceed twelve months; or

(b) such rate of return as can reasonably be attributed to the pension fund or that part of the pension fund in which the contributions are held provided that such rate shall never be less than 0%.

(3) In the case of a pension plan which provides defined benefits, ~~on and after January 1, 1988~~ additional voluntary contributions and optional ancillary contributions made by members and former members shall be credited with such rate of return as can reasonably be attributed to the operation of the pension fund or that part of the pension fund to which contributions are made.

(4) In the case of a pension plan that provides both defined benefits and defined contributions, on and after January 1, 1988 contributions of members and former members shall be credited in accordance with subsections (1), (2) or (3) as applicable.

(5) Notwithstanding subsections (1) to (4), in the case of a defined benefit pension plan which provides for pension benefits which are guaranteed by an insurance company, on and after January 1, 1988 the contributions of members and former members shall be credited not less frequently than annually with interest to be calculated on the basis of the average of the yields of five year personal fixed term chartered bank deposit notes (CANSIM Series B 14045), over a reasonably

recent period, the averaging period not to exceed twelve months.

- (6) Interest shall commence to accrue to contributions made by a member on or after the 1st day of January, 1988, no later than the first of the month following the month in which the contributions were required to be paid into the pension fund or such other method as approved by the Superintendent.
- (7) As an alternative to subsection (6), contributions made by a member to a pension plan during a fiscal year of the plan may be credited with an average rate of interest for that fiscal year determined in accordance with subsections (1) to (5).
- (8) Where a member ceases to be a member, retires or dies during a fiscal year of a pension plan, the rate of interest to be credited to the member's contributions during the fiscal year of the plan shall be the most recently calculated rate determined in accordance with subsections (1) to (7) applied, at least to the end of the month of termination.
- (9) A former member or any other person who is either entitled to a lump sum payment or who makes an election under Section 50 of the Act, to transfer from a pension plan the amount owing shall be credited with interest from the date of termination to the beginning of the month of payment, at such rate as determined under subsections (1) to (7).

Subsection 23(9) replaced: O.I.C. 93-779, N.S. Reg. 132/93.

- (10) Notwithstanding subsection (9), where the Superintendent has made an order for repayment of money under subsections 50(10) or 51(5) of the Act or for a return of assets under subsections 85(7) or 86(6) of the Act, the order shall include interest at the postjudgment interest rate calculated from the date of the transfer to which the order relates.
- (11) Where a pension plan is wound up in whole or in part, the amount owing to a person who is entitled to a lump sum payment or a person who makes an election under Section 50 of the Act shall be credited with interest from the effective date of the wind-up to the beginning of the month of payment, at the interest rate used in determining the commuted value of the pension benefit in the wind-up report.
- (12) This Section applies to the accumulated contributions made by a member or former member as at January 1, 1988, and all contributions made by a member or former member subsequent to this date.

Surplus withdrawal application - continuing plan

- 24** (1) Where an application is made for withdrawal of surplus from a continuing pension plan, the notice required under subsection 83(2) of the Act (surplus notification)

shall contain the following information related to the application:

- (a) the name of the pension plan and its provincial registration number;
 - (b) the review date of the report provided with the application and the amount of surplus in the pension plan;
 - (c) the surplus attributable to employee and employer contributions;
 - (d) the amount of surplus withdrawal requested;
 - (e) a statement that submissions in respect of the application may be made in writing to the Superintendent within 30 days of receipt of the notice;
 - (f) the contractual authority for surplus withdrawal;
 - (g) notice that copies of the report and certificates filed with the Superintendent in support of the surplus request are available for review at the offices of the employer and information on how copies of the report may be obtained; and
 - (h) any other information respecting the application that is required by the Superintendent to be provided.
- (2)** An application by an employer for the consent of the Superintendent to a payment from a continuing pension plan under subsection 83(1) of the Act shall be accompanied by a certified copy of the notice referred to in subsection (1), a statement that subsection 83(2) of the Act has been complied with, details on the classes of persons who received notice, and the date the last notice was distributed.
- (3)** The application referred to in subsection (1) shall be accompanied by a current report prepared on the basis of a going concern valuation demonstrating that a surplus exists and that there are no special payments required to be made to the pension fund.
- 25 (1)** For purposes of determining the amount of surplus under a continuing pension plan
- (a) assets shall mean the market value of investments held by the pension fund plus any cash balances and accrued or receivable income items; and
 - (b) liabilities shall mean the greater of the going concern liabilities and the liabilities determined under Section 14.

- (2) For purposes of [sub]clauses 84(1)(d)(ii) and 84(1)(e)(ii) of the Act (surplus retention), the liabilities of the pension plan shall be calculated on the basis of a solvency valuation.

Wind-up notices

26 (1) The notice of proposal to wind up a pension plan required under Section 73 of the Act (notice of proposal to wind up) shall include the following information:

- (a) the name of the plan and its provincial registration number;
 - (b) the proposed date of wind-up;
 - (c) notice that each member, former member or any other person entitled to a pension, deferred pension, any other benefit or a refund will be provided with an individual statement setting out entitlements and options under the plan; and
 - (d) where a plan provides contributory benefits, notice of the member's right to make contributions in respect of the period of notice of termination of employment required under the Labour Standards Code, in order for such period to be included for the purpose of calculating the member's pension benefits where applicable under Section 79 of the Act (entitlements on wind-up).
- (2) In addition to entitlements under the plan and any options available, the notice provided to each member, former member or any other person under Section 77 of the Act (notice of entitlements on wind-up) shall include
- (a) the name of the pension plan and its provincial registration number;
 - (b) the member's name and date of birth;
 - (c) the date of plan wind-up;
 - (d) the date on which the member joined the plan, and, except in the case of multi-employer pension plans, the date the member was employed by the employer;
 - (e) the member's spouse or common-law partner or designated beneficiary as indicated on the records of the administrator;
 - (f) the amount of required contributions made to the pension fund by a member

since the date of the last annual statement provided under Section 33 of the Act;

- (g) the accumulated amount of required contributions made to the pension fund by the member, including interest credited to such contributions, to the date of plan wind-up;
- (h) the amount of additional voluntary contributions made by the member to the pension fund since the date of the last annual statement provided under Section 34 of the Act;
- (i) the accumulated amount of additional voluntary contributions made by the member to the pension fund, including interest credited to such contributions, to the date of wind-up;
- (j) any amount transferred since the date of the last annual statement provided under Section 34 of the Act from another pension plan on behalf of the member and the pension benefit under the plan attributable to that amount;
- (k) in the case of a plan providing defined contribution benefits
 - (i) the amount of employer contributions allocated to the member since the date of the last annual statement provided under Section 34 of the Act, and
 - (ii) the accumulated amount of employer contributions, including interest credited to such contributions, allocated to the member on the plan records, to the date of wind-up;
- (l) in the case of a defined benefit plan
 - (i) the member's years of employment for the purpose of the calculation of pension benefits including any period credited under subsection 79(5) of the Act, and
 - (ii) where salary is a factor in determining a pension benefit, the salary level utilized for the purpose of determining the benefit;
- (m) the rate of interest credited to contributions required to be made by the member since the date of the last annual statement required under Section 33 of the Act;
- (n) an explanation of any amendments made to the pension plan during the

period covered by the statement for which an explanation has not-previously been provided under Section 37;

- (o) the time period in which any option must be exercised;
- (p) if there are insufficient assets to pay all pension benefits, a description of any reductions made to the person's benefits;
- (q) if there are surplus assets, a statement of the method of distribution and, if applicable, the formula for allocation of any surplus among the plan beneficiaries;
- (r) notice where copies of the wind-up report are available and information on how copies of the report may be obtained; and
- (s) notice of the person the recipient of the statement may contact with respect to any questions arising out of the statement.

(2A) Subject to subsection (2B), the statement required by subsection 77(1) of the Act must be given to the specified persons within 60 days after the administrator receives notice that the Superintendent has approved the wind up report.

(2B) If the Superintendent approves the payment of benefits under subsection 75(3) of the Act, the statement required by subsection 77(1) of the Act must be given to the persons affected by the approval within 60 days after the administrator receives notice of it.

(3) Where the recipient of a statement referred to in subsection (2) is entitled to elect an option, the election shall be forwarded to the administrator within ~~30~~ 90 days following receipt of the statement.

(4) The administrator shall comply with an election made by a person on the wind-up of a pension plan no later than ~~30~~ 60 days following receipt of the election or, if later, ~~30~~ 60 days following receipt of notice that the wind-up report has been approved by the Superintendent.

(4A) If the Superintendent approves the payment of benefits under subsection 75(3) of the Act, the payment required by subsection 77(3) of the Act must be made within 60 days after the later of,

- (a) the date on which the administrator receives the election under subsection (3) by the person affected by the approval or, if no election is made, the day on which the person is deemed to have made the election; and
 - (b) the day on which the administrator receives notice of the approval.
- (5) Where a recipient of a statement referred to in subsection (2) dies prior to forwarding the election to the administrator and the date of death is prior to the expiry date of the period during which the recipient was entitled to elect an option, then the spouse or common-law partner of the recipient on the date of death is entitled
 - (a) to receive a lump sum payment equal to the commuted value which the recipient was entitled to transfer under subsection 78(2) of the Act; or
 - (b) to an immediate or deferred pension the commuted value of which is at-least equal to the commuted value referred to in (a).
- (6) The recipient referred to in subsection (5) may designate a beneficiary and the beneficiary is entitled to be paid an amount equal to the lump sum payment referred to in clause 5(a) if the recipient does not have a spouse or common-law partner on the date of death.
- (7) The personal representative of the recipient referred to in subsection (5) is entitled on the recipient's death to receive payment of the commuted value described in clause (5)(a) where the recipient does not have a spouse or common-law partner or has not designated a beneficiary under subsection (6).
- (8) Where a person would have received a statement, referred to in subsection (2), and would have been entitled to elect an option, dies prior to receipt of the statement, then subsections (5), (6) and (7) shall apply as if that person had received the statement.
- (9) The notice required under subsection 83(2) of the Act (surplus notification) for a plan that is being wound up shall contain the following information related to the application:
 - (a) the name of the pension plan and its provincial registration number;
 - (b) the review date of the report provided with the application and amount-of surplus in the pension plan;
 - (c) the surplus attributable to employee and employer contributions;

- (d) the amount of surplus withdrawal requested;
 - (e) a statement that submissions may be made in writing to the Superintendent within 30 days of receipt of the notice;
 - (f) the contractual authority for surplus reversion;
 - (g) notice that copies of the wind-up report filed with the Superintendent in support of the surplus request are available for review at the offices of the employer and information on how copies of the report may be obtained; and
 - (h) any additional information respecting the application that the Superintendent requires to be provided.
- (10) An application by an employer for the consent of the Superintendent to a payment from a pension plan that is being wound up shall be accompanied by a certified copy of the notice referred to in subsection (9), a statement that subsection 83(2) of the Act has been complied with, the date the last notice was distributed, and the classes of persons who received notice.

26A (1) The employer's proposal to establish a claim to the surplus shall contain the following information:

- (a) the name of the pension plan and its provincial number;
 - (b) the date of termination of the plan;
 - (c) the surplus assets determined on the termination of the plan;
 - (d) to whom the surplus is to be allocated and the method of allocation;
 - (e) value of the benefit of all the members and former members;
 - (f) the number of members and former members for the purposes of any allocation of surplus;
 - (g) any additional information respecting the proposal that the Superintendent requires to be provided.
- (2) The classes of other persons prescribed for the purposes of Section 84(3A) of the Act are, to the extent that they remain entitled to any benefit under the plan, spouses or common-law partners of deceased members and former members and

spouses or common-law partners who have an entitlement pursuant to Section 61 of the Act.

Plan wind-ups

- 27 (1) The wind-up report required to be filed under subsection 75(1) of the Act (wind-up report) shall be prepared by a person authorized to prepare a report for the plan under Section 12.
- (2) ~~For the purpose of the wind-up of~~ If a pension plan; ~~is being wound up~~ in whole or in part, the minimum commuted value of a pension, ~~or~~ deferred pension, or ancillary benefit ~~shall be the amount required to purchase the benefit from an insurance company~~ in respect of a person who exercises his or her entitlement under subsection 78(2) of the Act is the amount determined as of the effective date of the ~~wind-up or such lesser amount as approved by the Superintendent~~ wind-up in accordance with the “Recommendations for the Computation of Transfer Values from Registered Pension Plans” issued by the ~~Canadian Institute of Actuaries~~ from time to time.
- (3) The administrator shall file the wind-up report with the Superintendent within six months following the effective date of the wind-up of the plan in whole or in part.
- (4) In addition to the wind-up report required under subsection 75(1) of the Act, the administrator of the plan shall file all outstanding annual information returns required to be filed up to the effective date of the wind-up of the pension plan within ~~three~~ ~~six~~ months following ~~that~~ ~~after~~ the effective date.
- (5) The following payments are prescribed for purposes of subsection 75(3) of the Act:
- (a) refunds of employee contributions with interest, to persons not entitled to a pension, deferred pension, or ancillary benefit.
- (6) Subject to subsection (7) where a pension plan which provides defined benefits has been terminated and after the wind-up report required under subsection (1) has been approved by the Superintendent, the administrator of the plan may pay, prior to the completion of any additional funding required under Section 80 of the Act (employer's liability on wind-up),
- (a) the accumulated value of any additional voluntary contributions;
- (b) the accumulated value of required contributions made by a member or former member; and

- (c) the value of any pension, deferred pension or ancillary benefits accrued as of the effective date of the wind-up with respect to employment and remuneration until that date in accordance with the plan provisions, to the extent that such benefits have been funded and after appropriate adjustments for any payment made in accordance with clause (b).
 - (7) Where a pension plan is wound up in whole or in part and the assets of the pension plan are not sufficient to pay all pensions, deferred pensions or ancillary benefits, the pension, deferred pension or ancillary benefit to which a person would otherwise be entitled shall be reduced to an amount proportionate to the extent that the benefits had been funded.
- 28**
- (1) Where the employer is required or liable to make payments into the pension fund in accordance with Section 80 of the Act, the employer shall make such payments within 30 days of the date of termination or wind-up of the plan or such longer period as approved by the Superintendent.
 - (2) Where a defined benefit pension plan is wound up in part, a wind-up report shall be prepared as if the pension plan were being wholly wound up.

Disclosure of information

- 29**
- (1) The information referred to in subsection 31(1) of the Act (information to persons eligible or required to be members of a plan) shall be provided
 - (a) to a person who becomes a member of a pension plan on the date the plan is established, within 60 days after the date the plan is established;
 - (b) to an employee who will become eligible to become a member of a pension plan, within 60 days prior to the date on which the person will become eligible; and
 - (c) to a person who is eligible to become a member of a pension plan upon commencing employment, within 60 days following the person's commencement of employment.
- 30**
- (1) Where an amendment is registered, the administrator shall transmit notice and an explanation of the amendment required under subsection 32(3) of the Act (notice of registration of amendment) to each member, former member or other person who is or will be affected by the amendment within 60 days after registration.
 - (2) Where an amendment is registered and the Superintendent has dispensed with the notice required under subsection 32(3) of the Act, the administrator shall provide notice and an explanation of the amendment to members with the next statement

required under Section 33 of the Act (annual statement of pension benefits).

- (3) Notwithstanding (1) and (2), if an amendment in the opinion of the Superintendent does not affect the member's benefits, the notice and explanation is not required.

30A (1) The administrator of a pension plan, pursuant to section 31(1)(c) of the Act, shall provide:

- (a) where the plan requires interest to be paid on optional ancillary contributions, a brief description of how the plan's assets are invested,
- (b) where any change is made respecting how the plan's assets are invested, an explanation of the change,
- (c) a description of the method used to determine the application of interest on optional ancillary contributions and, where that method may give rise to a negative rate of interest, a statement of that fact, and
- (d) where the plan permits a member to make optional ancillary contributions, a full explanation of the benefits available for purchase, the estimated value of the maximum benefits allowable at retirement and a statement explaining the risk of forfeiture of the part of those contributions under the *Income Tax Act (Canada)*.

Annual statement

31 (1) The statement required under Section 33 of the Act (annual statement) shall contain at least the following information as recorded on the records of the administrator:

- (a) the name of the pension plan and its provincial registration number;
- (aa) the member's name and date of birth;
- (b) the period covered by the statement;
- (c) the date on which the member joined the plan, and, except for multi-employer pension plans, the date on which the member was employed by the employer;
- (ca) the date or dates on which the member became fully vested or will become fully vested;
- (cb) the member's normal retirement date;

- (cc) where applicable, the earliest date the member will be eligible to receive an unreduced pension;
- (d) where applicable, the name of the person recorded as the member's-spouse or common-law partner;
- (da) where applicable, the name of the person's designated beneficiary;
- (e) the amount of required contributions, if any, made to the pension fund-by a member during the period covered by the statement;
- (f) the accumulated amount of required contributions, if any, made to the pension fund by the member, including interest credited to such contributions, to the end of the period covered by the statement;
- (g) the amount of any additional voluntary contributions made by the-member to the pension fund during the period covered by the statement;
- (h) the accumulated amount of any additional voluntary contributions made by the member to the pension fund, including interest credited to such contributions, to the end of the period covered by the statement;
- (ha) the amount of any optional ancillary contributions made by the member to the pension fund during the period covered by the statement;
- (hb) the accumulated amount of any optional ancillary contributions made by the member to the pension fund during the period covered by the statement;
- (i) in the case of a plan providing defined contribution benefits
 - (i) the amount of employer contributions allocated to the member-during the period covered by the statement, and
 - (ii) the accumulated amount of employer contributions, including interest credited to such contributions, allocated to the member on-the plan records, to the end of the period covered by the statement;
- (j) in the case of a defined benefit plan
 - (i) the member's years of employment for the purpose of the calculation of pension benefits, determined as of the end of the-period covered by the statement,

- (ii) the annual amount of pension benefit payable at normal retirement-date accrued at the end of the period covered by the statement,
 - (iia) where salary is a factor in determining a pension benefit the salary level utilized for the purpose of determining the benefit,
 - (iii) information as to whether the pension referred to in clause (ii) is reduced by an amount of pension payable under the Canada Pension Plan, Quebec Pension Plan or Old Age Security Act (Canada);
- (k) an explanation of any amendments affecting the member made to the pension plan during the period covered by the statement for which an explanation has not been provided under subsection 30(1) and not exempted under subsection 30(3).
- (l) where the plan permits a member to make optional ancillary contributions,
- (i) the estimated amount of optional ancillary contributions that the member could make to purchase the available optional ancillary benefits as of certain ages, assuming continuous employment and current earnings, and
 - (ii) a statement that there is a risk of forfeiture of part of those contributions under the *Income Tax Act (Canada)*.
- (2) The administrator shall provide the statement required under Section 33 of the Act to members within 6 months of the fiscal year end of the plan.

Termination statement - deferred

- 32** (1) Where a member of a pension plan terminates employment or ceases to be a member of a pension plan for reasons other than retirement or death and the member is entitled to a deferred pension, the written statement required under Section 34 of the Act shall contain at least the following information as recorded on the records of the administrator:
- (a) the name of the pension plan and its provincial registration number;
 - (aa) the member's name and date of birth;
 - (b) the date on which the member joined the pension plan and the years of employment credited under the plan for the purpose of calculating the pension benefit;

- (c) the member's normal retirement date under the plan or the earliest date-on which an unreduced pension is payable;
- (d) the pension benefits and ancillary benefits to which the member is entitled on termination and any options respecting such benefits, including early, normal and postponed dates for commencement of-payment of benefits and any adjustment to the pension as a result of early or postponed retirement;
- (e) where applicable, the name of the person recorded as the member's-spouse or common-law partner or designated beneficiary;
- (f) where applicable, the formula by which the deferred pension 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 as a result of such entitlement;
- (g) any bridging benefit or special allowance and the date on which such-benefit ceases to be paid;
- (h) any indexation provisions applicable to the deferred pension;
- (i) any benefit payable in the event of the member's death, should the death occur prior to the commencement of payment of pension benefits;
- (j) any benefit payable in the event of the member's death, should the death occur after the commencement of payment of pension benefits;
- (k) the transfer value of the deferred pension determined in accordance with subsection 16(2);
- (l) any options with respect to transfers available under Section 50 of the-Act and
 - (i) the application of the transfer ratio determined under Section 16 to-the transfer option, and
 - (ii) where the transfer ratio is less than 1.00, the amount that may be transferred out immediately and the manner in which the balance-will be paid;
- (m) the ~~time periods~~ deadlines in which any option must be exercised; and
- (n) 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 or deferred pension.

- (2) The administrator shall provide the written statement referred to in subsection (1) not later than 60 days following the member's termination of employment or cessation of membership in the plan, or where notice of termination or cessation is not provided to the administrator prior to the event, not later than 60 days of the administrator's receipt of such notice.

Termination statements - refunds

33 (1) Where a member of a pension plan terminates employment or ceases to be a member of a pension plan for reasons other than retirement or death and the member is not entitled to a pension or deferred pension, the administrator of the pension plan shall provide the member with a statement setting out at least the following information as recorded on the records of the administrator:

- (a) the name of the plan and its provincial registration number;
- (ab) the member's name and date of birth;
- (bc) the dates on which the member joined the plan and ceased membership in the plan;
- (d) the years of employment credited under the plan for the determination of pension benefits;
- (de) the amount of any refund;
- (f) any ancillary benefit to which the member may be entitled; and
- (fg) any option which the member is entitled to elect and the time period in which the options must be exercised.

(2) The administrator shall provide the statement referred to in subsection (1) within 3060 days of the termination of employment or cessation of membership in the plan, or where notice of termination or cessation is not provided to the administrator prior to the event, within 3060 days of the administrator's receipt of such notice.

(3) Where no options are available to the member, the administrator shall provide any refund to which the member is entitled within 60 days of the administrator's receipt of the notice of the member's termination of employment.

- (4) Where the member has an option with respect to the refund, the administrator shall comply with the election made by the member within 60 days of receipt of a direction from the member.

Death/survivor benefits statement

- 34** (1) Where a member or a former member who is not receiving payments from the pension fund dies and the death results in the spouse or common-law partner, beneficiary or estate of the member or former member becoming entitled to a benefit, the administrator of the plan shall within 60 days following receipt of notice of the death provide the spouse or common-law partner or legal representative with a statement setting out at least the following information:
- (a) the name of the pension plan and its provincial registration number;
 - (aa) the name of the deceased member or former member;
 - (b) the amount and method of payment of the benefit;
 - (c) the amount, if any, payable under subsection 47(4) of the Act (50%-rule);
 - (d) the basis for indexation of a pension, where applicable;
 - (e) where applicable, the amount of the pension resulting from additional voluntary contributions and optional ancillary contributions;
 - (f) where applicable, the amount of the pension purchased with contributions resulting from a transfer made on behalf of the member—from another pension fund; and
 - (g) in the case of a spouse or common-law partner, the options available under Section 56 of the Act.
- (2) For purposes of subsections 56(1) or (2) of the Act (pre-retirement death benefits), a spouse or common-law partner shall make an election within 90 days after receipt of the notice referred to in subsection (1).
- (3) The administrator of the plan shall comply with an election under subsection (2) within 60 days of receipt of the direction from the spouse or common-law partner.

Termination statement - retirement

- 35** (1) At least 60 days prior to a member's normal retirement date or the date at which

a member of a pension plan has indicated that he or she intends to retire, the administrator of the plan shall advise the member of any options respecting payment of the pension available to the member under the pension plan, the Act or the regulations and the time period in which the options may be exercised.

- (2) Where an administrator has not received adequate advance notice of the intended retirement necessary to comply with subsection (1), the administrator shall provide the information referred to in subsection (1) within 60 days following receipt by the administrator of a completed application required for commencement of the pension.
- (3) Where a member of a pension plan retires, the written statement required under Section 34 of the Act shall contain at least the following information as recorded on the records of the administrator:
 - (a) the name of the pension plan and its provincial registration number;
 - (aa) the member's name and date of birth;
 - (b) the date on which the member joined the plan and the years of-employment credited under the plan for purposes of calculating the-pension benefit;
 - (c) where applicable, the name of the person recorded as the member's-spouse or common-law partner or beneficiary;
 - (d) the date pension benefits commence payment;
 - (e) the amount of the pension to which the member is or will be entitled according to the records of the administrator and based on elections made by the member;
 - (f) any increase or reduction in the pension resulting from early or-postponed retirement;
 - (g) the amount of the pension benefit purchased with additional voluntary contributions made by the member;
 - (ga) the optional ancillary benefits available to the member to enhance the pension and, if optional ancillary contributions exceed the maximum value of the optional ancillary benefits available for purchase, the amount of that excess and the fact that the excess is retained in the plan;
 - (h) the amount of the pension benefit purchased with contributions resulting

- from a transfer made on behalf of the member from another pension fund;
- (i) any integration of the pension entitlement with pensions payable under the Canada Pension Plan, Quebec Pension Plan or the Old Age Security Act (Canada) and the effect of such integration;
 - (j) any bridging benefits or special allowances and the date on which such ancillary benefits cease to be paid;
 - (k) any indexation provisions applicable to the pension or deferred pension;
 - (l) any benefit payable in the event of the member's death; and
 - (m) any other refunds under the plan to which the member is entitled.
- (4) The administrator shall provide the statement referred to in subsection (3) within ~~30~~60 days following the member's retirement, or where the administrator has not received notification prior to retirement, within 60 days of the administrator's receipt of a completed application required for commencement of the pension.

Information available on request

- 36** (1) The following documents or information are prescribed for the purpose of Sections 35 and 36 of the Act (inspection of documents at offices of **employer administrator** or Superintendent);
- (a) the provisions of the current pension plan including any amendments to the plan;
 - (b) any documents related to the pension plan required to be filed with the Superintendent under Sections 15(2) or 18(2) of the Act or under the Pension Benefits Act, Chapter 14 of the Acts of 1975;
 - (c) the provisions of any previous pension plan where the current plan is a successor to a previous version of the plan, including amendments;
 - (d) any documents related to a previous version of the pension plan and required to be filed with the Superintendent under Sections 15(2) and 18(2) of the Act or under the Pension Benefits Act, Chapter 14 of the Acts of 1975;
 - (e) the applicable provisions of any document setting out the employer's responsibilities with respect to the pension plan;
 - (f) a document whereby the administration of the pension plan or pension-fund

is delegated;

- (g) copies of any information returns filed with the Superintendent in respect of the pension plan;
 - (h) copies of any financial statement or any report under Section 3, 10 or 11 filed with the Superintendent in respect of the pension plan;
 - (i) copies of correspondence in respect of the pension plan between the Superintendent and the administrator within 5 years preceding the date of the request, except personal information relating to a member or former member without the consent of that member or former member;
 - (j) copies of those parts of an agreement concerning the purchase or sale of a business or the assets of a business which relate to the pension plan;
 - (k) copies of any statement of investment policies and goals established for the pension fund at the office of the administrator or at the office of the Superintendent if filed with the Superintendent; and
 - (l) copies of any audited financial statement for a pension fund, filed with the Superintendent.
- (2) The fee prescribed for a copy of any document referred to in subsection (1) which is obtained from the Superintendent is 50 cents per page, with a minimum fee of \$5.00.
- (3) The employer administrator shall comply with a written request under Section 35 of the Act within 30 days of receipt of the request.

Subsection 36(3) amended: O.I.C. 93-779, N.S. Reg. 132/93.

- (4) A person making a request under Sections 35 or 36 of the Act is entitled to have access to those parts of the pension plan and other documents or information that are applicable to such person.

Section 37 repealed: O.I.C. 2001-264, N.S. Reg. 58/2001.

Prescribed classes

- 38** (1) The prescribed classes of employees referred to in Section 37 of the Act are employees who fall within any of the following classes:
- (a) employees who are paid a salary;
 - (b) employees who are paid on an hourly basis;

- (c) employees who are members of a trade union;
 - (d) employees who are not members of a trade union;
 - (e) supervisory employees;
 - (f) management employees;
 - (g) executive employees;
 - (h) employees who are officers of the employer;
 - (i) employees who are significant shareholders;
 - (j) persons who fall within clause (c) or (d) and also any of clauses (a) or (b) or (e) to (i);
 - (k) employees belonging to such other identifiable group of employees as is acceptable to the Superintendent.
- (2) For the purposes of Section 37 of the Act, different employers in a multi-employer plan may have different prescribed classes of employees covered by the plan.
- (3) A pension plan in which the only member is an individual employee who, but for this subsection, falls within a class described in subsection (1)(g), (h) or (i) is exempt from Section 37 of the Act, and that employee shall be treated for the purposes of the Act and this regulation as not falling within that class.

Exemptions

- 39** (1) The pension plans established by or under the following are excepted from the application of the Act and the regulations as noted:
- (a) the Public Service Superannuation Act;
 - (b) the Teachers' Pension Act;
 - (c) Members' Retiring Allowances Act;
 - (d) Judges of the Provincial Court Act.
- (1A) The following pension plans are excepted from the application of the Act and the regulations as noted:
- (a) the Pension Plan for Salaried Employees of Sydney Steel Corporation;
 - (b) the Sydney Steel Corporation Non-Contributory Union Pension Plan 1968 (for Members of Locals 1064, 6537 and 6516 of the United-Steelworkers of America and Local 2 of The Bricklayers and Allied Craftworkers); and
 - (c) the Sydney Steel Corporation Non-Contributory Union Pension Plan 1974 for Members of Local 1675 of the Canadian Union of Public-Employees.

Subsection 39(1A) added: O.I.C. 2001-392, N.S. Reg. 102/2001.

- (2) The administrator of a multi-employer plan is exempt from Section 45(2) of the Act.
- (3) A pension plan established and maintained for the employees of 2 or more employers, that is neither a multi-employer pension plan, nor a pension plan where all employers are affiliates of each other, is exempt from Section 14 of the Act, if the plan provides that the administrative duties of the employer and the administrator as specified in the Act are totally assumed by a financial institution.

Subsection 39(3) added: O.I.C. 96-370, N.S. Reg. 93/96.

- (4) A plan referred to in subsection (3) may permit different employers to establish different prescribed classes of employees for the purposes of Section 37 of the Act.

Subsection 39(4) added: O.I.C. 96-370, N.S. Reg. 93/96.

Significant shareholder plans

- 40** Subsection 20(1) of the Act (reduction of benefits) does not apply to a member of a defined benefit pension plan who is a significant shareholder where the employer providing the pension plan and the significant shareholder consent in writing to the non-application of Section 20 and file such consent with the Superintendent.

Section 40 amended: O.I.C. 93-779, N.S. Reg. 132/93.

Conflict of interest - multi-employer pension plan

- 41** Subsection 29(3) of the Act does not apply to an administrator of a multi-employer pension plan, or where the administrator is a pension committee or board of trustees, a member of the committee or board who enters into [an] arrangement related to the administration of the pension plan or pension fund which

- (a) is in the interest of the members and former members of the pension-plan;
- (b) is protective of the rights of the members and former members of the pension plan;
- (c) is expressly provided for in the documents that create and support the pension plan; and
- (d) is disclosed to members and former members of the plan prior to-entering into the arrangement.

Notices and Summaries Re Contributions – Multi-Employer Pension Plan

- 41A** Subsection 45(1) of the Act does not apply with respect to a multi-employer pension plan established pursuant to a collective agreement, a trust agreement, a statute or a municipal by-law.

Miscellaneous

Integration formula

42 For purposes of Section 60 of the Act (integrated pension plans), the reduction of a pension or a deferred pension that may be required by a pension plan in relation to benefits under the Canada Pension Plan, the Quebec Pension Plan or the Old Age Security Act (Canada) shall not exceed the following amounts:

- (a) if the plan has a CPP/QPP offset, the amount calculated according to the following formula:

$$A \times \frac{B}{35}$$

where A = amount of pension that would be payable to the person under the CPP/QPP calculated as of the date of termination of the person's employment or membership and calculated as if the person had reached 65 years of age at the date of termination;

B = number of years, not exceeding 35, including parts of a year, of employment credited to the person under the pension plan; and

- (b) if the plan has prior to 1 January 1988, an offset for OAS, the amount calculated according to the following formula:

$$C \times \frac{D}{35}$$

where C = amount of pension payable under the OAS calculated as of the date of termination of the person's employment or membership,

D = number of years, not exceeding 35, including parts of a year, of employment credited to the person under the pension plan before the 1st day of January 1988.

Individual level premium contracts

43 Where a pension plan is insured by individual level premium contracts, the deferred pension referred to in Sections 42 and 43 of the Act may, in the case of a contract issued prior to the qualification date, be equal to the paid up annuity under the contract arising from contributions made with respect to employment on or after the qualification date if the special payments required with respect to such deferred pension under the contract have all been paid or shall continue to be paid.

Pension fund trustee

44 A pension fund shall be administered

- (a) by a government,
- (b) by an insurance company,
- (c) by a trust in Canada governed by a written trust agreement under which the trustees are
 - (i) a trust corporation registered under the Trust and Loan-Corporations Act,
 - (ii) three or more individuals, at least three of whom reside in Canada and at least one of whom is independent of any employer contributing to the pension fund, to the extent the individual is neither a significant shareholder, partner, proprietor, director, officer, nor an employee of an employer contributing to the fund or an affiliate of such employer, or
 - (iii) a corporate pension society (established under the Pension Fund Societies Act (Canada));
- (d) under the Government Annuities Act (Canada);
- (e) by the board, agency, commission, or corporation made responsible by an Act of the Legislature for the administration of the pension fund; or
- (f) by any combination of the above.

Plan fiscal year end

45 Unless otherwise stated in the pension plan documents, the fiscal year of a pension plan shall be deemed to commence on the 1st day of January and end on the 31st day of December and, except on such basis as may be authorized by the superintendent, no fiscal year of a pension plan shall exceed twelve months.

Determination of joint and survivor pension

Heading replaced: O.I.C. 2001-264, N.S. Reg. 58/2001.

Section 46 repealed: O.I.C. 2001-264, N.S. Reg. 58/2001.

47 For purposes of determining a joint and survivor pension under Section 52(1) of the Act, the pension shall be based on the spouse or common-law partner of the member

at the beginning of the period for which a pension first becomes payable.

Filing of reciprocal transfer agreements

- 48** (1) The administrator of a pension plan shall submit for filing a certified copy of any reciprocal transfer agreement entered into prior to this regulation coming into force within 6 months following the date this regulation comes into force.
- (2) The administrator of a pension plan shall submit for filing a certified copy of any reciprocal agreement entered into on or after the date this regulation comes into force within 60 days following execution of the agreement.

Additional ancillary benefits

- 49** The following ancillary benefits are prescribed for purposes of Section 48 of the Act:
- (i) survivor benefits in excess of those required under subsection 52(3) of the Act; and
 - (ii) any vesting provisions in excess of those required under Sections-41, 42 and 43 of the Act.

Refund of contributions not locked in

- 50** Subsection 68(1) of the Act does not apply to a refund to a person who is entitled to a pension or a deferred pension of contributions made to a pension plan which provides
- (a) in respect of contributions made prior to the 1st day of January, 1988, vesting prior to the member reaching the age of 45 years and having ten years of employment with the employer or ten years' membership in the plan, and
 - (b) in respect of contributions made on or after the 1st day of January, 1988, vesting prior to twenty-four months' membership in the plan, and
 - (c) for the refund of contributions made prior to a vesting period referred to in clause (a) or (b).

~~where the pension plan permits a refund of such contributions.~~

Apportionment of benefits - final average or best average earnings plans

- 51** For the purposes of Section 47 of the Act, where a pension plan provides pension benefit based on a rate of remuneration of a plan member as of the date the plan member terminates employment, or is based on an average of the rates of remuneration of a plan member over a specified or limited time period up to the date the plan member terminates employment, the portion of the pension benefit attributable to employment after the 1st day of January 1988 is

- (i) the pension benefit, less
- (ii) the pension benefit calculated in accordance with the terms of the plan and the member's credited service at December 31, 1987 using the rate of remuneration of the plan member as of the date of termination of employment or the average of the rates of remuneration of the plan member over the specified or limited time-period, as the case may be.

Reciprocal transfer agreement - 50% rule

52 Where there is a reciprocal transfer agreement, subsection 47(3) of the Act does not apply to a person who transfers money or credits from one pension plan to another plan in accordance with the reciprocal agreement.

Offsets from pre-retirement death benefits

- 53** (1) A pension plan may provide for the reduction of an entitlement under Section 56 of the Act (pre-retirement death benefit) by an amount equal to that part of a group life insurance payment payable on the death of the member or former member that can be considered to have been paid by employer premiums.
- (2) The entitlement under Section 56 of the Act shall not be offset by an amount greater than the group life insurance payment times the rate of the employer-paid cost of the group life insurance policy to the total cost of the policy for the relevant class of employees, taking into account in both the numerator and the denominator of the ratio any experience or other refunds, with such ratio averaged over a period not exceeding five years.
- (3) Where a reduction to an entitlement under Section 56 of the Act is made, the actuarial present value of that reduction may not exceed the amount of the payment under the group life insurance plan.
- (4) In the case of a pension plan which provides contributory benefits, the reduction referred to in subsection (1) shall not reduce an entitlement under Section 56 of the Act to less than the aggregate of the required contributions of the member or former member, with interest in accordance with Section 23.

Subsection 53(4) amended: O.I.C. 93-779, N.S. Reg. 132/93.

- (5) A reduction under this Section may not be made unless the group life insurance contract provides for payment of the insurance payment to the spouse or common-law partner of a member or former member, where there is a spouse or common-law partner at the date of death, or unless the spouse or common-law partner has waived the insurance payment.

- ~~(6) Notwithstanding Section 56(4) of the Act, where a person does not have a spouse or common-law partner and a pension plan provides for the payment of a benefit having an actuarial value equal to or greater than the person's refund of contributions with interest to be made to a named beneficiary, the estate is not entitled to a refund of that person's contributions with interest.~~

Reduction of bridging benefits

- 54** (1) The amount or value of a bridging benefit which a former member is receiving or for receipt of which a member or former member has satisfied all eligibility requirements shall not be reduced only by reason of the eligibility or entitlement of the member or former member to receive actuarially reduced payments prior to attaining the age of 65 years under the Canada Pension Plan, the Quebec Pension Plan or the Old Age Security Act (Canada).
- (2) Where a pension plan provides a bridging benefit without reference to a specific age at which the benefit is reduced or to cease, the age shall be deemed to be attained at 65 years of age.
- (3) Subsection (2) does not apply to a pension plan that is amended after the 31st day of December 1987 to establish a specific age prior to the attainment of 65 years or to provide for the occurrence of a specific event for the purpose of determining when a bridging benefit shall be reduced or cease to be paid.

Variation of pension benefits

- 55** (1) Where a pension plan provides that a pension benefit may be varied as the result of retirement benefits payable under the Canada Pension Plan or the Quebec Pension Plan and the pension plan does not state the specific age at which the variation is to occur, the age shall be deemed to be attainment of 65 years of age.
- (2) Subsection (1) does not apply to a pension plan that is amended after the 31st day of December, 1987 to establish a specific age or to provide for the occurrence of a specific event for variation of the pension benefit prior to the recipient attaining 65 years of age.
- (3) A pension plan that provides a pension benefit that may be varied as a result of a recipient's entitlement to a retirement pension under the Canada Pension Plan or the Quebec Pension Plan prior to attaining the age of 65 years shall take into account the adjustment made to the retirement pension under the Canada Pension Plan or the Quebec Pension Plan.

Pre-requisite for Advisory Committee

- 55A** Prior to the establishment of an advisory committee under Section 30A of the Act, all

members and former members of the plan shall be notified that a vote for the establishment of an advisory committee will be held and that the members and former members will be given the opportunity to participate in the vote.

Investment regulations

- 56** (1) Notwithstanding the provisions of any pension plan or any instrument governing a plan, the assets of a plan must be invested and the investments made in accordance with Schedule 1 and this Section.
- (2) Where any provisions of Schedule 1 differ from the corresponding provisions under the laws of a designated province, the Superintendent may, in the case of a plan having members in that designated province, apply in whole or in part those corresponding provisions instead of those provisions of Schedule 1.
- (3) The administrator or fund holder shall maintain a current record clearly identifying each of the plan's investments and the name in which each investment is registered.

Effective date

- 57** This [These] regulation[s] come into force on and not before the first day of January 1988.

Part II - Division of Pension Entitlement

Definitions for Part

58 In this Part,

- (a) "court order" means an order of the Supreme Court of Nova Scotia or an order of a court of competent jurisdiction made outside the Province and enforceable in the Province that provides for a division of a pension or a pension benefit;
- (b) "entitlement date" means, in relation to a spouse or common-law partner, the date on which the spouse or common-law partner became entitled to a division of the member's or former member's pension or-pension benefit;
- (c) "limited member" means a person designated as a limited member of a pension plan;
- (d) "net investment returns" means interest, dividends and realized and unrealized capital gains and losses, less related investment expenses-normally charged to investment earnings;

- (e) "pensionable service" means the months or parts of months in respect of which a member's or former member's pension benefit accrues, and includes the months or parts of months in respect of which a pension benefit, earned by a member or former member under another pension-plan, has been transferred to the pension plan;
- (f) "proportionate share" means,
 - (i) for a pension or a defined benefit, a fraction calculated in accordance with this Part, or
 - (ii) for a defined contribution benefit, the share of the benefit of the spouse or common-law partner calculated in accordance with this Part;
- (g) "separate pension" means the proportionate share of a member's or former member's pension that is established in a separate account in-favour of a spouse or common-law partner;
- (h) "separation agreement" means an agreement, in writing, made between spouses or common-law partners, including a marriage contract within the meaning of the *Matrimonial Property Act*, that provides for a division of a pension or a pension benefit; and
- (i) "spouse or common-law partner", for purposes of this Part, includes a former spouse or former common-law partner of a member or former member.

Section 58 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Application of Part

- 59** (1) Subject to subsection (2), where a spouse or common-law partner is entitled to an interest in a pension or pension benefit,
- (a) the share of the spouse or common-law partner of the pension or pension benefit; and
 - (b) the manner in which the entitlement of the spouse or common-law-partner in the pension or pension benefit is to be satisfied,
- shall be determined in accordance with this Part.
- (2) This Part, unless provided otherwise, applies only if a spouse or common-law partner

- (a) was entitled to an interest in a pension or pension benefit before June 4, 2001, and on June 4, 2001, there is no allocation of the pension or pension benefit by court order or separation agreement; or
 - (b) becomes entitled to an interest in a pension or pension benefit after June 4, 2001.
- (3) This Part applies to an insurance contract that provides for a deferred or immediate life annuity as a result of the transfer of the commuted value of a pension benefit or a purchase from a retirement savings arrangement or life income fund referred to in Section 18.

Section 59 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Division determined by court order or separation agreement

- 60 (1) Subject to subsection 61(2) of the Act, a spouse or common-law partner's share of a pension or pension benefit shall be determined by a court order or by a separation agreement.
- (2) The entitlement date with respect to a spouse or common-law partner shall be specified in the court order or separation agreement referred to in subsection (1).
- (3) A pension or pension benefit may not be divided under this Part except in accordance with the terms of a court order or a separation agreement referred to in subsection (1).
- (4) Nothing in this Part precludes a division of assets pursuant to Section 13 of the *Matrimonial Property Act* in settlement of the value of any pension or other benefit under a pension plan where, by reason of the termination of a relationship, the chance of acquiring it would be lost, and where there is an unequal division upon those grounds, this Part shall not apply.

Section 60 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Information from pension plan

- 61 (1) A spouse or common-law partner who claims an interest in a pension or pension benefit and who submits to the administrator a request for information in Form 5: Request by Spouse or Common-Law Partner for Information Respecting Member's or Former Member's Pension or Pension Benefit, is entitled to receive from the administrator any information necessary to value the member's or former member's pension or pension benefit.
- (2) The administrator shall provide the information requested pursuant to subsection (1) within 60 days after receipt of Form 5.

- (3) Upon receipt of a Form 5, the administrator shall send a notice in Form 8: Notice of Receipt to the member or former member whose spouse or common-law partner submitted the Form 5.
- (4) Once the information has been provided in accordance with subsection (2), the administrator is only required to provide updates to that information once in each calendar year upon request from the spouse or common-law partner who submitted the Form 5.

Section 61 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Limited members

- 62** (1) Where a pension or pension benefit is to be divided, a spouse or common-law partner may be designated a limited member of the pension plan by submitting to the administrator a request in Form 6: Request for Designation as Limited Member of Pension Plan, and a copy of the court order or separation agreement that determines the division.
- (2) A limited member has
- (a) the right to receive payment of a separate pension or a proportionate-share of a pension, as the case may be;
 - (b) except as modified by this Part, all of the rights of a member or former member under the Act;
 - (c) the additional rights that are set out in this Part.
- (3) Where the commuted value of the proportionate share of the pension benefit is transferred out of the pension plan to the credit of a spouse or a common-law partner pursuant to Section 64, the spouse or common-law partner ceases to be a limited member of the pension plan.
- (4) Upon receipt of a Form 6, the administrator shall send a notice in Form 8: Notice of Receipt to the member or former member whose spouse or common-law partner submitted the Form 6.

Section 62 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Information to be provided to a limited member

- 63** (1) An administrator shall provide the following information to a limited member:
- (a) any information or notice available to members or former members of the pension plan;

- (b) to the extent that it is not provided under clause (a), information on options available to and elections that may be made by a limited member with respect to the limited member's proportionate share of the pension or pension benefit when they become available.
- (2) In addition to the information provided under subsection (1), a limited member entitled to a defined contribution benefit shall receive an annual statement required under Section 33 of the Act.
- (3) When a limited member is in receipt of a separate pension under the Act, the limited member is entitled to all of the information that the administrator provides to former members of the pension plan who are in receipt of a pension payable from the pension fund.

Section 63 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Transfer from pension plan to locked-in retirement plan

- 64**
- (1) Where a proportionate share of a pension benefit is transferred out of the pension plan to the credit of a spouse or common-law partner, the transfer shall be made in accordance with Section 50 of the Act.
 - (2) Where a defined contribution benefit has been divided under a court order or separation agreement, whether on, before or after June 4, 2001, a spouse or common-law partner who submits to the administrator a copy of the order or agreement and a request in Form 7: Request for Transfer of a Defined Contribution Benefit or a Defined Benefit, is entitled to transfer the spouse's or common-law partner's proportionate share of the defined contribution benefit from the pension plan.
 - (3) Upon receipt of a Form 7, the administrator shall send a notice in Form 8: Notice of Receipt to the member whose spouse or common-law partner submitted the Form 7.
 - (4) Where a defined benefit has been divided, a limited member who submits to the administrator a request in Form 7: Request for Transfer of a Defined Contribution Benefit or a Defined Benefit is entitled to receive a proportionate share of the commuted value of the pension benefit transferred from the pension plan to the credit of the limited member when the member or former member
 - (a) retires; or
 - (b) terminates membership in the pension plan.
 - (5) Subsection (4) does not apply to a limited member unless the plan provides an entitlement as described in subsection (4) to the member or former member.

Section 64 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Limited member's separate pension resulting from division of a defined benefit

65 A separate pension in favour of a spouse or common-law partner as a limited member, resulting from division of a defined benefit, shall

- (a) be equal to a proportionate share of the pension that the member or former member would have received had there been no division under the Act and the member or former member elected a pension in the normal form provided under the pension plan for the member or former member;
- (b) be converted into
 - (i) a single life pension, or
 - (ii) another form or combination of forms of pension that members of the pension plan may elect, such that the commuted value of the separate pension is not less than the commuted value of the limited-member's proportionate share of the member's pension in the normal form provided to the member or former member;
- (c) be actuarially adjusted, taking into account any difference between the age of the limited member and the member or former member; and
- (d) commence at the member's or former member's retirement date.

Section 65 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Benefit split of a pension

66 (1) Where a pension is to be divided, a limited member is entitled to receive a proportionate share of the pension paid until

- (a) the death of the limited member; or
- (b) cessation of the pension,

whichever occurs first.

- (2) Where a proportionate share of a pension is paid to a limited member, separate source deductions shall be made with respect to deductions required under the *Income Tax Act* (Canada) for the limited member's share and the former member's share of the pension.

Section 66 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Death of a member or limited member entitled to a defined benefit

- 67** (1) Where a member or former member dies before the limited member receives a share of the defined benefit under subsection 64(4), the limited member is entitled to receive a proportionate share of the pre-retirement death benefit.
- (2) Where a member or former member dies after the limited member transfers from the pension plan a proportionate share of the defined benefit under subsection 64(4), no pre-retirement death benefit is payable to the limited member unless the member or former member has designated the limited member as a beneficiary.
- (3) Where a limited member dies before the member or former member and before transferring from the pension plan a proportionate share of the defined benefit under subsection 64(4), the pension plan shall pay to the beneficiary or the estate of the limited member the death benefit payable in respect of the limited member's proportionate share of the defined benefit as if the member or former member had died.

Section 67 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Variation of payment to disabled person and payment of the commuted value if benefit is small

- 68** Where a limited member is entitled to a separate pension or a proportionate share of a pension benefit, a pension plan may provide for payment to the limited member of the commuted value of the separate pension or of the proportionate share of the pension benefit, as the case may be, in the same manner that a pension plan may provide for payment to a member or former member under Section 57 or subsection 58(1) of the Act.

Section 68 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Calculation of proportionate share of a defined contribution benefit

- 69** (1) This Section applies in respect of a division of a defined contribution benefit.
- (2) The proportionate share of a defined contribution benefit shall be calculated in accordance with the following formula:

$$\text{proportionate share} = (A/B) \times C \times P$$

where

A = the pensionable service accruing from the date of marriage or the beginning of common-law partnership or the date on which the member entered the pension plan, whichever is later, to the entitlement date;

B = the total pensionable service accumulated by the member to the date on which the share of the spouse or common-law partner is transferred from the pension

plan pursuant to subsection 64(2) or established in a separate account in the pension plan for the spouse or common-law partner as a limited member;

C = the total of

- (a) the contributions to the pension plan to the credit of the member or former member, and
- (b) the net investment returns allocated, or that are to be allocated, in respect of those contributions to the date on which the share of the spouse or common-law partner is transferred from the pension plan pursuant to subsection 64(2) or established in a separate account in the pension plan for the spouse or common-law partner as a limited member;

P = the percentage of the pension benefit to be credited to the spouse or common-law partner under a court order or separation agreement.

- (3) Where a member or former member is not entitled to a deferred pension benefit pursuant to Sections 42 and 43 of the Act on the entitlement date, the proportionate share of the member's or former member's contributions and net investment returns shall be paid from the pension plan to the member's or former member's spouse or common-law partner.
- (4) A limited member's eligibility for retirement shall be based on the limited member's age.

Section 69 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Calculation of proportionate share of a pension, defined benefit or pre-retirement death benefit

- 70**
- (1) This Section applies in respect of a pension, defined benefit or pre-retirement death benefit.
 - (2) The proportionate share of a pension, defined benefit or pre-retirement death benefit shall be calculated in accordance with the following formula:

$$\text{proportionate share} = P \times (A/B)$$

where, subject to subsection (3),

A = the pensionable service accumulated by the member or former member from the date of marriage or the beginning of common-law partnership to the entitlement date for the spouse or common-law partner, excluding any

pensionable service for that period purchased by and credited to the member or former member after that entitlement date;

B = the total pensionable service accumulated by the member or former member to the earlier of the date on which the member or former member retires or terminates membership in the pension plan;

P = the percentage of the pension or pension benefit to be credited to the spouse or common-law partner under a court order or separation agreement.

- (3) Where the determination of a proportionate share of a pre-retirement death benefit is required on the death of member or former member, the proportionate share shall be calculated in accordance with the formula set out in subsection (2), except that:

B = the total pensionable service accumulated by the member or former member to the date of the member's or former member's death.

Section 70 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Adjustment of a member's or former member's defined benefit

- 71 (1) A defined benefit of a member or former member that is subject to a division shall be adjusted in accordance with this Section.
- (2) A defined benefit of a member or former member shall be adjusted in accordance with subsection (3) where a spouse or common-law partner or the estate of a spouse or common-law partner receives
- (a) a separate pension;
 - (b) a transfer of a proportionate share of the commuted value of a defined benefit pursuant to subsection 64(4); or
 - (c) a death benefit paid in respect of the limited member's proportionate-share of the defined benefit pursuant to subsection 67(3).
- (3) An adjustment under subsection (2) shall be on a neutral basis to the pension plan and the member or former member and shall be made by deducting from the defined benefit the limited member's proportionate share of the defined benefit.

Section 71 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Administrator must give notice to spouse or common-law partner if member's interest may be affected

- 72 Where a spouse or common-law partner has submitted a request for information in

Form 5 pursuant to subsection 61(1), an administrator shall provide 30 days advance notice to the spouse or common-law partner of any transaction relating to the applicable member's or former member's interest in the pension or pension benefit by reason of

- (a) the death of the member or former member;
- (b) the retirement of the member or former member; or
- (c) a direction given to the administrator by the member or former member.

Section 72 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Administrative fees

73 (1) A spouse or common-law partner and member or former member shall pay to the administrator an amount to offset administrative fees incurred by the pension plan in satisfying the entitlement of the spouse or common-law partner.

(2) The amount to be paid to an administrator by a spouse or common-law partner and member or former member shall not exceed whichever of the following is applicable:

- (a) \$500 for division of a defined benefit;
- (b) \$250 for division of a defined contribution benefit;
- (c) \$650 for division of a defined contribution benefit and a defined benefit provided under one pension plan.

Section 73 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Schedule I - Investments

1 (1) In this Schedule,

~~(a) "financial institution" means~~

~~(i) a bank,~~

~~(ii) a body corporate to which the Trust and Loan Companies Act applies,~~

~~(iii) a cooperative credit society to which the Cooperative Credit Associations Act applies,~~

~~(iv) an insurance company to which the Insurance Companies Act applies,~~

~~(v) a trust, loan or insurance corporation incorporated by or under an Act~~

of the legislature of a province,

~~(vi) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province,~~

~~(vii) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province that is primarily engaged in dealing in securities, including portfolio management and investment counselling, or~~

~~(viii) a foreign institution;~~

~~(b) “foreign institution” means an entity that is~~

~~(i) engaged in the business of banking, the trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and~~

~~(ii) incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province;~~

(c) “Schedule III” means Schedule III to these regulations made pursuant to the *Pension Benefits Act*.

(2) Every pension plan shall provide that the moneys of the pension fund are to be

(a) invested in accordance with Schedule III; and

(b) invested

(i) in a name that clearly indicates that the investment is held in trust for the pension plan and, where the investment is capable of being registered, registered in that name,

(ii) in the name of a financial institution or a nominee thereof, in accordance with a custodial agreement or trust agreement, entered into on behalf of the pension plan with the financial institution, that clearly indicates that the investment is held for the pension plan, or

(iii) in the name of The Canadian Depository for Securities Limited, or a

nominee thereof, in accordance with a custodial agreement or trust agreement, entered into on behalf of the pension plan with a financial institution, that clearly indicates that the investment is-held for the pension plan.

- (3) For the purposes of subsection (2), “custodial agreement” means an agreement providing that

 - (a) an investment made or held on behalf of a pension plan pursuant to the agreement

 - (i) constitutes part of the pension plan’s pension fund, and
 - (ii) shall not at any time constitute an asset of the custodian or-nominee; and
 - (b) records shall be maintained by the custodian that are sufficient to allow-the ownership of any investment to be traced to the pension plan at any time.
- (4) The administrator of a pension plan shall, before the later of July 1, 1996 and the day on which the pension plan is registered, establish, on behalf of the pension plan, a written statement of investment policies and procedures in respect of the pension plan’s portfolio of investments and loans, having regard to all factors that may affect the funding and solvency of the pension plan and the ability of the pension plan to meet its financial obligations, including all of the following:

 - (a) categories of investments and loans, including derivatives, options and futures;
 - (b) diversification of the investment portfolio;
 - (c) asset mix and rate of return expectations;
 - (d) liquidity of investments;
 - (e) the lending of cash or securities;
 - (f) the retention or delegation of voting rights acquired through-investments;
 - (g) the method of, and the basis for, the valuation of investments that are-not regularly traded at a public exchange; and
 - (h) related party transactions permitted under Section 17 of Schedule III and the criteria to be used to establish whether a transaction is nominal-or

immaterial to the pension plan, having regard to all factors that may affect the funding and solvency of the plan and the ability of the plan to meet its financial obligation.

- (5) The statement of investment policies and procedures referred to in subsection (4) shall include a description of the factors referred to in that subsection and the relationship of those factors to those policies and procedures.
- (6) ~~If the pension plan is a defined benefit pension plan, the~~ The administrator of a plan shall submit the statement of investment policies and procedures referred to in subsection (4)
 - (a) to any pension committee that has been established, within 60 days after the later of
 - (i) the day on which the statement is established, and
 - (ii) the day on which the pension committee is established; and
 - (b) where a plan is a defined benefit plan, to the actuary to the plan on or before the day that is the later of
 - (a) 60 days after the day on which the statement is established; and
 - (b) the day on which the actuary is appointed.
- (7) Investments made on or before January 1, 1996 that are not in compliance with this Schedule, Schedule III and the investment policy of the pension plan
 - (a) may be retained until the earlier of the fixed maturity date or January 1, 1999 if they are investments with a fixed maturity date; or
 - (b) must be in compliance by no later than January 1, 1999 if they are not investments with a fixed maturity date.
- (8) Every investment made after January 1, 1996 must comply with this Schedule, Schedule III and the investment policy of the pension plan.
- (9) The administrator of a pension plan shall review and confirm or amend the statement of investment policies referred to in subsection (4) at least once in each pension plan fiscal year.
- (10) ~~Where the pension plan is a defined benefit pension plan, the administrator shall~~

~~submit any amendments to the investment policy statement to the actuary within 60 days of amendment of the statement.~~ A copy of all amendments to the statement of investment policies and procedures shall be submitted, within 60 days after the statement is amended,

(a) to any pension committee that has been established; and

(b) where the plan is a defined benefit pension plan, the administrator shall ~~submit any amendments to the investment policy statement plan,~~ to the actuary within 60 days of amendment of the statement plan.

Schedule I replaced: O.I.C. 96-53, N.S. Reg. 19/96.

Schedule II

For Office Use Only

FILE NO.

APPROVED

Department of Environment and Labour

Pension Regulation Division

P.O. Box 2531, Halifax, N.S. B3J 3N5

(902) 424-8915

Form 1 - Application for Registration of Pension Plan
(Subsection 15(2) of the Act)

**Please Read the Guide for Application for Registration
Before Completing this Application**

- 1. Name and address of employer or association (see Guide)**
 - (a) Name
 - (b) Address of head office
 - (c) Mailing address in Canada if other than in (b)
 - (d) Telephone number

- 2. Names and addresses of other employers of employees covered by this plan (see Guide)**
 - (a) Employers associated through ownership

 - (b) Employers associated through nature of business (attach list)

- 3. Nature of business (see Guide)**
 - (a) "Included Employment"
Indicate the main activity or activities of your business

 - (b) Other than "Included Employment"
Indicate the main activity or activities of your business

 - (c) Indicate the percentage of members employed in "Included Employment"

- 4. Type of organization**

- | | | |
|--|---|---|
| <input type="checkbox"/> Municipal government | <input type="checkbox"/> Federal enterprise | <input type="checkbox"/> Trade or employee association |
| <input type="checkbox"/> Municipal enterprise | <input type="checkbox"/> Incorporated company | <input type="checkbox"/> Co-operative |
| <input type="checkbox"/> Provincial government | (other than a crown | <input type="checkbox"/> Religious, charitable or other |
| <input type="checkbox"/> Provincial enterprise | corporation) | non-profit organization |
| <input type="checkbox"/> Federal government | <input type="checkbox"/> Unincorporated | <input type="checkbox"/> Other (describe) |
| | business (sole proprietor | |
| | or partnership) | |

5. Identification

- (a) Official name or title of plan
Policy or trust number, if any
- (b) Name and address of administrator (see Guide)

- (c) Names and address of
 - (i) Corporate trustee, if any
 - (ii) Individual trustees, if any
- (d) Name and address of insurance company, if any

- (e) Name and address of consultant, if any

6. Plan details

- (a) Effective date of plan
DAY MONTH YEAR
- (b) Plan year ends on
DAY MONTH
- (c) Was the plan constituted by virtue of a collective agreement or a decree?
 YES NO
If "YES", please send [of] copy of the collective agreement or decree.

7. Information to members

Has each member received a copy of the pension plan or a written explanation of the terms and conditions of the plan and of the member's rights and duties thereunder?
 YES NO

8. Plan membership

Number of plan members on payroll as of the date of this application:

AREA OF EMPLOYMENT	PLAN MEMBERS ON PAYROLL
	MALE FEMALE

(1)	(2)	(3)
Newfoundland & Labrador		
Prince Edward Island		
Nova Scotia		
New Brunswick		
Quebec		
Ontario		
Manitoba		
Saskatchewan		
Alberta		
British Columbia		
Yukon Territory		
Northwest Territories		
Nunavut		
Outside Canada		
TOTAL		

9. Documents attached

Please check off the items included with this application form:

- | | |
|--|---|
| <input type="checkbox"/> Certified copy of pension plan text,
and amendments (if any) | <input type="checkbox"/> List of investments |
| <input type="checkbox"/> Certified copy of trust deed(s) | <input type="checkbox"/> Employees' booklet |
| <input type="checkbox"/> Certified copy of insurance contract(s) | <input type="checkbox"/> Certified copy of the
collective agreement or
decree (see item 6(c)) |
| <input type="checkbox"/> Certified copy of by-law(s) | <input type="checkbox"/> Financial statement |
| <input type="checkbox"/> Cost certificate | <input type="checkbox"/> Fee |
| <input type="checkbox"/> Actuarial report | |

I hereby make application for registration of the pension plan identified in this form under the *Pension Benefits Act* and any other pension benefits legislation to which this pension plan is subject.

I certify that the information given in all forms and documents relating to this application is true and correct to the best of my knowledge and belief.

SIGNATURE

NAME IN BLOCK LETTERS

TITLE OR POSITION

COMPANY OR ASSOCIATION

DATE

For Official Use Only

REMITTANCE: \$

DATE:

CHEQUE NO:

CHECKED BY:

Form 1 replaced: O.I.C. 97-488, N.S. Reg. 89/97.

Department of Environment and Labour
Pension Regulation Division
P.O. Box 2531, Halifax, N.S. B3J 3N5
(902) 424-8915

For Office Use Only
FILE NO.

APPROVED

Form 2 - Annual Information Return
(Subsection 27(1) of the Act)

**Please Read the Instructions for Annual Information Return
Before Completing the Return**

1. **Registration number**
2. **Name and address of employer or association (see Instructions)**
 - (a) Name
 - (b) Address
City Postal code
 - (c) Mailing address in Canada if other than (b)
City Postal code
 - (d) Telephone number
3. **Plan name**
Policy or trust number, if any
4. **Location of books and records, same as 2(b) above, or:**
Address City Postal code _____
5. **End of plan year under review (see Instructions)**
 - (a) Day: Month: Year:
 - (b) Number of months in the above plan year: Q 12 months OTHER:
6. **How many employers participated in the plan at the end of the pension plan year?**
7. **Describe below any additions or deletions made to the list of participating employers since completion of the last Annual Information Return filed with the Superintendent:**
8. (a) Were any amendments made to this pension plan during the plan year under review?

Q YES Q NO

(b) If “YES”, have the amendments been submitted to the Department?

Q YES Q NO

(c) Have all eligible employees, members and affected former members been informed of plan amendments?

Q YES Q NO

(d) If “NO”, please explain

9. **Did a cessation of contributions or of benefit accrual occur during the pension plan year?**

Q YES Q NO

If yes, what is:

- the effective date of cessation
- the date of final distribution of funds

Reason for cessation

- replaced by Registered Retirement Savings Plan
- merged with or replaced by another registered pension plan (Registration number _____)
- company dissolved
- no members left
- financial considerations
- other reason (please describe)

10. **Active membership (includes members on lay-off, suspension, disability or leave of absence - see instructions)**

(a) Number of active members at plan’s previous year end:

(b) Add - NEW ENTRANTS, i.e. employees joining the plan during the plan year

(c) Subtotal (a + b): _____ (c)

Subtract - EXITS, i.e. employees who cease to be active members during the plan year, for the following reasons:

(d) - retirement:

(e) - death

- (f) - termination of membership
in the plan
- (g) - total exits (d + e + f) (g)
- (h) Number of active members at the plan's year end (c-g):

11. **Plan membership**

Number of plan members on payroll as of the plan year end under review:

AREAS OF EMPLOYMENT (1)	PLAN MEMBERS ON PAYROLL	
	MALE (2)	FEMALE (3)
Newfoundland & Labrador		
Prince Edward Island		
Nova Scotia		
New Brunswick		
Quebec		
Ontario		
Manitoba		
Saskatchewan		
Alberta		
British Columbia		
Yukon Territory		
Northwest Territories		
Nunavut		
Outside Canada		
TOTAL		

Number on lay-off ____, suspension ____, disability ____, leave of absence ____.

ACTUAL CONTRIBUTIONS REMITTED

12. **Member contributions**

- Required
- Voluntary
- Total member contributions

Employer contributions

- Special payments for unfunded
liability and solvency deficiency
- Actual current service contributions
- Contributions paid from surplus of
termination credits used

Total employer contributions

Remarks

13. Financial data applicable to the plan year

Amount transferred in from other plans

Net investment earnings (losses)

Payment of benefits

Transfers of benefits to other plans

Market value of plan assets at
beginning of the plan year

Market value of plan assets at plan year end

DEFINED BENEFIT PLANS ONLY

14. Have adjustments been made to pensions in pay during the plan year under review?

Q 1. No

Q 2. Yes - in accordance with a requirement of the plan for regular adjustment of benefits.

Q 3. Yes - pursuant to a collective agreement.

Q 4. Yes - voluntarily by the employer.

Q 5. Yes - other (describe)

15. **Filing fee remitted** \$

Certificate

I, _____ hereby certify that I am the administrator* of the pension plan known as _____.

I further certify that, to the best of my knowledge and belief,

1. The information entered on this return is true, complete and correct.
2. The pension plan has been administered in accordance with the terms of applicable pension benefits legislation.
3. The contributions paid to the plan or fund are at least equal to those required by the applicable pension benefits legislation.
4. The administrator has established a written statement of investment policies and procedures in accordance with Schedule I of the regulations to the *Pension Benefits Act*.
5. The statement of investment policies and procedures complies with Schedule I and Schedule III of the regulations to the *Pension Benefits Act*.
6. The administrator has reviewed the statement of investment policies and procedures during the plan year under review.
7. During the plan year under review, the assets of the pension plan were invested in accordance with Schedule I and Schedule III.

SIGNATURE

NAME IN BLOCK LETTERS

TITLE OR POSITION

COMPANY OR ASSOCIATION

DATE

If your mailing address is different from the employer's address in Section 2 of this return, please provide it below:

* Where the administrator is a corporation, board, or committee, the certificate must be

completed by an authorized officer of the administrator.

For Official Use Only	
REMITTANCE: \$	DATED:
CHEQUE NO:	CHECKED BY:

Revenue Canada Schedule

1. How many active members at plan year-end were persons connected with the employer?

Specified multi-employer plan, no further questions.

Other multi-employer plans, go to Question 5.

2. Did any member of this plan participate:
in any other RPP or DPSP provided by this sponsor? Yes ____ No ____; or
in an RPP or DPSP of any other sponsor who does not deal at arm's length with this
sponsor? Yes ____ No ____
3. Have any connected persons joined or left the plan in the plan year?
Yes ____ No ____
4. In the plan year, has a person or group acquired control of the corporation that is
sponsoring the pension plan? Yes ____ No ____ N/A ____

Money purchase plans, no further questions. Other plans continue with Question 5.

5. Were any plan members provided with post-1989 past-service benefits in the plan year?
Yes ____ No ____
6. Have any plan members who are connected persons been provided with pre-1992 past-
service benefits in the plan year? Yes ____ No ____

Form 2 replaced: O.I.C. 97-488, N.S. Reg. 89/97.

Form 3 - Application to Transfer Commuted Value of Deferred Pension

Pursuant to Section 50
of the *Pension Benefits Act*

I, _____, am a member/surviving spouse or common-law partner
of a member _____ (give name of member) of the registered pension plan
known as _____ and hereby apply to:

Check one

1. transfer the commuted value of my deferred pension to a
locked-in ~~registered retirement savings plan~~ savings plan account as prescribed
under Section 18 of the regulations under the *Pension
Benefits Act*
2. transfer the commuted value of my deferred pension to a life
income fund as prescribed under Section 18A of the
regulations under the *Pension Benefits Act*
3. use my pension benefit to purchase an immediate life annuity
as prescribed under Section 19 of the regulations under the
Pension Benefits Act
4. use my pension benefit to purchase a deferred life annuity
as prescribed under Section 19 of the regulations under the
Pension Benefits Act
5. transfer my pension benefit to a pension plan of which I am
currently a member, which is known as _____

My address is: _____

Signed at _____ in the Province of _____ this _____
(place)

day of _____, _____

Signature of member
(surviving spouse or common-law partner of member)

Signature of witness

Name of member
(surviving spouse or common-law partner of member)

Name of witness

Application having been received for:

Check one

1. a locked-in ~~registered retirement savings plan~~ savings plan account as prescribed
under Section 18 of the regulations under the *Pension*

Benefits Act

2. a life income fund as prescribed under Section 18A of the regulations under the *Pension Benefits Act*
3. an immediate life annuity as prescribed under Section 19 of the regulations under the *Pension Benefits Act*
4. a deferred life annuity as prescribed under Section 19 of the regulations under the *Pension Benefits Act*
5. transfer to a registered pension plan

The funds shall only be transferred to a locked-in registered retirement savings plan or life income fund or used to purchase an immediate life annuity or a deferred life annuity that meets the requirements of the regulations under the *Pension Benefits Act* and shall be administered in accordance with the *Pension Benefits Act*. The funds were determined on a basis that did () or did not () differentiate on the basis of sex. The earliest date on which the former member is entitled to receive pension benefits is _____.

Signed at _____ (place) in the Province of _____ this _____ day of _____, _____

Signature of administrator/transferor

Signature of administrator/transferee

Name of administrator/transferor

Name of administrator/transferee

Name of institution transferring funds

Name of institution accepting funds

Form 3 replaced: O.I.C. 97-488, N.S. Reg. 89/97.

Form 4 - Spousal Waiver of Joint and Survivor Pension
(Section 54 of the Act)

I, _____, am the spouse or common-law partner, within the meaning of the
Pension Benefits Act, of _____ who is entitled to a
NAME OF MEMBER/FORMER MEMBER
pension benefit under the _____
NAME OF PLAN

I am aware that, in the absence of a waiver, a pension payable to a former member who has a spouse or common-law partner on the date that the payment of the first installment of the pension is due must be paid as a joint and survivor pension as required by Section 52 of the *Pension Benefits Act*.

I understand that I may waive my right to receive a survivor pension, equal to at least 60% of my spouse's or common-law partner's pension benefit, should my spouse or common-law partner predecease me. The waiver of my right will enable my spouse or common-law partner to elect an alternative form of pension which may not provide a survivor pension to me or may provide a survivor pension that is less than the 60% minimum, subject to the provisions of the pension plan.

I hereby waive my right to a joint and survivor pension as required by Section 52 of the Act. The signature of my spouse or common-law partner, below, serves as an acknowledgement that he or she agrees to such a waiver.

I understand that we may jointly revoke this waiver at any time prior to the date of the commencement of payment of the pension benefit.

Dated at _____ in the Province of _____
CITY OR TOWN
this _____ day of _____, _____.
MONTH YEAR

SIGNATURE OF SPOUSE OR COMMON-LAW PARTNER

WITNESS TO SIGNATURE OF SPOUSE OR COMMON-LAW
PARTNER

SIGNATURE OF MEMBER OR FORMER MEMBER

WITNESS TO SIGNATURE OF MEMBER OR FORMER MEMBER

Prior to completing this form, each party should consider obtaining independent advice concerning their individual rights and the effect of this waiver.

N.B. This waiver is not effective unless it is delivered to the administrator or the insurance company, where appropriate, within the twelve month period immediately preceding the commencement of payment of the pension benefit as required by subsection 54(2) of the Nova Scotia *Pension Benefits Act*.

Form 5

**Request by Spouse or Common-Law Partner
for Information Respecting
Member's or Former Member's Pension or Pension Benefit**
(Pension Benefits Regulations, Section 61)

[Please print]

To: Administrator of pension plan

Name of plan

Address of plan

.....

From: Spouse or common-law partner of member or former member [Note: "spouse or common-law partner" includes a former spouse or former common-law partner]

Name

Address

.....

Telephone (home) (work)

Social Insurance Number

In relation to: Plan member or former member

Name of member or former member

Address

.....

Telephone (home) (work)

Social Insurance or Pension Plan Identity Number

Employer

Declaration of spouse or common-law partner claiming interest

I, (name of spouse or common-law partner) declare that

(a) the date of marriage or commencement of common-law relationship is

(b) the date I was separated from the member or former member is; and

(c) I am claiming an interest in the member's or former member's pension or pension benefit based on Section 61 of the *Pension Benefits Act*.

Signed (spouse or common-law partner)

Date of declaration

Signed (witness to signature of spouse or common-law partner)

Name of witness

Address of witness

Form 5 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Form 6

**Request for Designation
as Limited Member of Pension Plan**
(Pension Benefits Regulations, Section 62)

(Note: This form is for use in relation to a pension or a pension benefit)

[Please print]

To: Administrator of pension plan

Name of plan

Address of plan

.....

From: Spouse or common-law partner of member or former member

[Note: "spouse or common-law partner" includes a former spouse or former common-law partner]

Name

Address

.....

Telephone (home) (work)

Social Insurance Number

Date of birth

In relation to: Plan member or former member

Name of member or former member

Address

.....

Telephone (home) (work)

Social Insurance or Pension Plan Identity Number

Employer

Other required information:

Date of marriage or commencement of common-law relationship

Entitlement date of spouse or common-law partner

[Note: this is the date specified in the court order or separation agreement on which the spouse or common-law partner became entitled to an interest in the member's pension.]

A copy of the court order or separation agreement on which the entitlement date is based

[Note: attach or enclose with this Form]

Request

I request that I be designated as a limited member of your pension plan.

Signed (spouse or common-law partner) Date

Date of declaration

Signed (witness to signature of spouse or common-law partner)

Name of witness

Address of witness

Form 6 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Form 7

**Request for Transfer of a
Defined Contribution Benefit or a Defined Benefit**
(Pension Benefits Regulations, Section 64)

[Note: The limited member entitled to a defined benefit does not have transfer rights unless the member or former member is so entitled.]

[Please print]

To: Administrator of pension plan

Name of plan

Address of plan

.....

From: Spouse or common-law partner of member or former member

[Note: "spouse or common-law partner" includes a former spouse or former common-law partner]

Name

Address

.....

Telephone (home) (work)

Social Insurance Number

Date of Birth

In relation to: Plan member or former member

Name of member or former member

Address

.....

Telephone (home) (work)

Social Insurance or Pension Plan Identity Number

Employer

Other required information:

Date of marriage or commencement of common-law relationship

Entitlement date of spouse or common-law partner

[Note: this is the date specified in the court order or separation agreement on which the spouse or common-law partner became entitled to an interest in the member's or former member's pension.]

A copy of the court order or separation agreement on which the entitlement date is based

.....

[Note: attach or enclose with this Form]

Request

I request that you

- (a) transfer my share of the member's or former member's pension benefit by a transfer that is permitted under Section 50 of the *Pension Benefits Act*; and
- (b) advise me in writing of the information that you require in order to do this.

Signed (spouse or common-law partner) Date

Date of declaration

Signed (witness to signature of spouse or common-law partner)

Name of witness

Address of witness

Form 7 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Form 8

Notice of Receipt

(Pension Benefits Regulations, Sections 61, 62 and 64)

[Please print]

To: Plan member or former member

Name of member or former member

Address

.....

Social Insurance or Pension Plan Identity Number

Employer

From: Pension Plan

Name of pension plan

Address of plan administrator

.....

Contact person

Telephone

Receipt of Notice

We have received the following notice under the *Pension Benefits Act* and regulations in relation to your membership in our pension plan (check one):

- Form 5: Request by Spouse or Common-Law Partner for Information on Member's or Former Member's Pension or Pension Benefit
- Form 6: Request for Designation as Limited Member of Pension Plan
- Form 7: Request for Transfer of a Defined Contribution Benefit or a Defined Benefit

From [name as shown on notice]

Dated [date of notice]

Form 8 added: O.I.C. 2001-264, N.S. Reg. 58/2001.

Schedule II replaced: O.I.C. 97-488, N.S. Reg. 89/97.

Form 9

Application to a Financial Institution for Payment of Temporary Income from a LIF

I declare:

(1) that I was at least 54 years of age but less than 65 years of age at the end of last year;

Date of Birth: _____

(2) that the total amount of temporary income that I will receive during the current year under the following plans or contracts:

(a) pension plan subject to the an act of the Province of Nova Scotia or any other legislative authority;

(b) life annuity arising from (a)

is \$ _____;

(3) that the temporary income that I will receive from my other life income funds during the current year, excluding the one for which I am making this declaration, is \$ _____.

Date: _____ Signature: _____

Form 10

**Application to a Financial Institution to Withdraw Money From
a Locked-in Retirement Account or Life Income Fund at age 65**

Use this Application if you want to apply to a financial institution to withdraw money from your Nova Scotia locked-in retirement account ("LIRA") or life income fund ("LIF"). Complete this application **only** if you are applying to withdraw all the money from your LIRA or LIF because you are at least 65 years old and the total value of all assets held in every LIRA, locked-in RRSP, LIF or pension plan providing defined contribution benefits is less than 40% of the years maximum pensionable earnings under the Canada Pension Plan.

When you have completed the application, give it and any other required document to the financial institution that administers your LIRA or LIF.

II Provide the following information about yourself:

Last Name	First Name	Middle Initial(s)	Date of Birth (Year/Month/Day)
Mailing Address		Street Number and Name Suite No.	
City		Province	Postal Code
(Area code) Telephone Number (ext).		(Area code) Fax Number	

II What is the policy number or account number of your LIRA, locked-in RRSP or LIF you wish to withdraw? Check your LIRA, locked-in RRSP or LIF contract, or the statements you have received from your financial institution (bank, insurance company, etc.). If necessary, ask your financial institution.

Policy Number or Account Number of your LIRA, locked-in RRSP or LIF

II What is the total value of all assets held in every LIRA, locked-in RRSP, LIF and defined contribution benefit in a pension plan, including the one you are applying to withdraw money from?

The total value of all assets held in every LIRA, locked-in RRSP, LIF and defined contribution benefit under a pension plan you own must be based on the most recent statement given to you by the financial institution that administers each LIRA, locked-in RRSP and LIF. The statement **must not** be dated more than 18 months before the date you sign this application.

Name of the Financial Institution that administers the LIRA, locked-in RRSP or LIF or pension plan administrator	Policy no. or account no of the LIRA, locked-in RRSP or LIF	Date of the most recent statement for the LIRA, locked-in RRSP or LIF	Value of all assets held in the LIRA, locked-in RRSP or LIF
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
Please use additional pages if necessary		Total	\$

Date: _____ Signature: _____

Form 11

**Application to a Financial Institution to Withdraw Money From
a Locked-in Retirement Account, locked-in RRSP or Life Income Fund
because of considerably shortened life expectancy**

Use this Application if you want to apply to a financial institution to withdraw money from your Nova Scotia locked-in retirement account ("LIRA"), locked-in RRSP or life income fund ("LIF") because you have a mental or physical disability that is likely to considerably shorten your life expectancy.

When you have completed the application, give it and any other required document to the financial institution that administers your LIRA or LIF.

II Provide the following information about yourself:

Last Name	First Name	Middle Initial(s)	Date of Birth (Year/Month/Day)
Mailing Address		Street Number and Name Suite No.	
City	Province	Postal Code	
(Area code) Telephone Number (ext).	(Area code) Fax Number		

II What is the policy number or account number of your LIRA or LIF you wish to withdraw?
Check your LIRA or LIF contract, or the statements you have received from your financial institution (bank, insurance company, etc.). If necessary, ask your financial institution.

Policy Number or Account Number of your LIRA or LIF

2. How much money do you want to withdraw from your LIRA or LIF? Check only one box:

9 All of the money in your LIRA or LIF.

9 The amount of \$ _____, which is less than all of the money in your LIRA or LIF.

Fill in how much money you want to withdraw. If this amount is greater than all of the money in your LIRA or LIF, you will be deemed to have requested **all** of the money in your LIRA or LIF.

Note: To qualify for this type of withdrawal, **your application must include** a statement signed by a physician licensed to practice medicine in a jurisdiction in Canada. It must state that, in the physician's opinion, you have a mental or physical disability that is likely to shorten considerably your life expectancy.

Statement of a Physician for a Withdrawal Based on Shortened Life Expectancy

If the owner of the LIRA or LIF is applying to withdraw money from the LIRA or LIF because the owner has a mental or physical disability that is likely to shorten considerably the owner's life expectancy, the owner's application must include a statement signed by a physician licensed to practice medicine in a jurisdiction in Canada. It must state that, in the physician's opinion, the owner has such a mental or physical disability. This requirement can be satisfied if a physician agrees to complete the statement set out in this Part.

The owner of the LIRA or LIF cannot complete this Part.

If you are a physician licensed to practice medicine in a jurisdiction in Canada, you may complete the Physician's Statement below in order to provide your opinion for the purposes of the owner's application. If you wish to complete the Physician's Statement below, please fill in the owner's name at the top of the Statement and read the Statement. If you are satisfied that the Statement correctly describes the owner's situation, then please sign, date and fill in the information at the bottom of the Statement.

You, the physician, are not required to complete the Physician's Statement below in order to provide your

opinion for the purposes of the owner's application. You may provide your opinion in another written and signed format (such as a letter) if you prefer, as long as you state that you are a physician licensed to practice medicine in a jurisdiction in Canada and that in your opinion, the owner has a mental or physical disability that is likely to shorten considerably his or her life expectancy.

Physician's Statement

<p>I am a physician licensed to practice medicine in a jurisdiction in Canada. In my opinion,</p> <p>_____</p> <p>(Print the name of the owner of the LIRA or LIF identified in Part 1 of this application)</p> <p>has an illness or physical disability that is likely to shorten considerably his or her life expectancy.</p>								
<p>Physician's Name (print)</p>	<p>Physician's signature</p>	<p>Date (Year/Month/Day)</p>						
<p>Physician's Address Street Nu</p>		<p>Suite No.</p>						
<p>City</p>	<p>Province</p>	<p>Postal Code</p> <table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>						

Applicant

Date: _____ Signature: _____

Schedule III - Permitted Investments

Interpretation

1 In this Schedule,

- (a) “book value”, in respect of an asset, means the cost of acquisition to the person acquiring the asset, including all direct costs associated with the acquisition;
- (b) “Canadian resource property” has the same meaning as in paragraph-66(15)(c) of the Income Tax Act (Canada);
- (c) “child”, in respect of a person, means
 - (i) the natural or adopted child of the person,
 - (ii) the natural or adopted child of the person’s spouse or common-law partner, or
 - (iii) the spouse or common-law partner of a natural or adopted child of the person;
- (d) “debt obligation” means a bond, debenture, note or other evidence of indebtedness of an entity;
- (e) “entity” means
 - (i) a corporation, trust, partnership or fund or an unincorporated association or organization, or
 - (ii) Her Majesty in right of Canada or of a province or the government of a foreign country or of a political subdivision of a foreign country, or an agency thereof;
- ~~(f) “financial institution” means~~
 - ~~(i) a bank,~~
 - ~~(ii) a body corporate to which the Trust and Loan Companies Act applies,~~
 - ~~(iii) a cooperative credit society to which the Cooperative Credit Associations Act applies,~~
 - ~~(iv) an insurance company to which the Insurance Companies Act applies,~~
 - ~~(v) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province,~~
 - ~~(vi) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province,~~

- ~~(vii) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province that is primarily engaged in dealing in securities, including portfolio management and investment counselling, or~~
- ~~(viii) a foreign institution;~~
- ~~(g) “foreign institution” means an entity that is~~
 - ~~(i) engaged in the business of banking, the trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and~~
 - ~~(ii) incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province;~~
- (h) “insured pension plan” means a pension plan in which all benefits are paid by means of an annuity or insurance contract issued by a person authorized to carry on a life insurance business in Canada and under which the person is obligated to pay all the benefits set out in the pension plan;
- (i) “investment corporation”, in respect of a pension plan, means a corporation that
 - (i) is limited in its investments to those that are authorized for the pension plan under this Schedule,
 - (ii) holds at least 98% of its assets in cash, investments and loans,
 - (iii) does not issue debt obligations,
 - (iv) obtains at least 98% of its income from investments and loans, and
 - (v) does not lend any of its assets to, or invest any of its moneys in, a related party of the pension plan;
- (j) “loan” includes a deposit, financial lease, conditional sales contract, repurchase agreement and any other similar arrangement for obtaining money or credit, but does not include investments in securities or the making of an acceptance, endorsement or other guarantee;
- (k) “market terms and conditions”, in respect of a transaction, means terms and conditions, including those relating to price, rent or interest rate, that would apply to a similar transaction in an open market under conditions requisite to a fair transaction between parties who are at arm’s length and acting prudently, knowledgeably and willingly;

- (l) “market value”, in respect of an asset, means the price that would be obtained in the purchase or sale of the asset in an open market under-conditions requisite to a fair transaction between parties who are at arm’s length and acting prudently, knowledgeably and willingly;
- (m) “mutual fund” or “pooled fund” means a fund established by a corporation that is duly authorized to operate a fund in which moneys from two or more depositors are accepted for investment and where shares allocated to each depositor serve to establish the proportionate-interest at any time of each depositor in the assets of the fund;
- (n) “person” includes an entity;
- (o) “public exchange” means
 - (i) the Alberta Stock Exchange,
 - (ii) the Montreal Stock Exchange,
 - (iii) the Toronto Stock Exchange,
 - (iv) the Vancouver Stock Exchange,
 - (v) the Winnipeg Stock Exchange,
 - (vi) in France, the Stock Exchange (Paris),
 - (vii) in the United Kingdom, The Stock Exchange (London), and
 - (viii) in the United States,
 - (A) the American Stock Exchange,
 - (B) the Boston Stock Exchange,
 - (C) the Chicago Board of Trade,
 - (D) The Cincinnati Stock Exchange,
 - (E) the Detroit Stock Exchange,
 - (F) the Midwest Stock Exchange,
 - (G) The National Association of Securities Dealers Automated Quotation System,
 - (H) the National Stock Exchange,
 - (I) the New York Stock Exchange,
 - (J) the Pacific Coast Stock Exchange,
 - (K) the Philadelphia-Baltimore-Washington Stock Exchange,
 - (L) the Pittsburgh Stock Exchange,
 - (M) the Salt Lake Stock Exchange, or
 - (N) the Spokane Stock Exchange;
- (p) “real estate corporation” means a corporation incorporated to acquire, hold, maintain, improve, lease or manage real property other than real-property that yields petroleum or natural gas;
- (q) “real property” includes a leasehold interest in real property;
- (r) “related party”, in respect of a pension plan, means a person who is

- (i) the administrator of the pension plan or who is a member of a pension committee, board of trustees or other body that is the administrator of the pension plan,
- (ii) an officer, director or employee of the administrator of the pension plan,
- (iii) a person responsible for holding or investing the assets of the pension plan, or any officer, director or employee thereof,
- (iv) an association or union representing employees of the employer, or an officer or employee thereof,
- (v) an employer who participates in the pension plan, or an employee, officer or director thereof,
- (vi) a member of the pension plan,
- (vii) where the employer is a corporation, a person who directly or indirectly holds, or together with the spouse or common-law partner or a child of the person holds, more than 10% of the voting shares carrying more than 10% of the voting rights attached to all voting securities of the corporation,
- (viii) the spouse or common-law partner or a child of any person referred to in any of subclauses (i) to (vii),
- (ix) where the employer is a corporation, an affiliate of the employer,
- (x) a corporation that is directly or indirectly controlled by a person referred to in any of subclauses (i) to (viii),
- (xi) an entity in which a person referred to in subclauses (i), (ii), (v) or (vii), or the spouse or common-law partner or a child of such a person, has a substantial investment, or
- (xii) an entity that holds a substantial investment in the employer,

but does not include Her Majesty in right of Canada or of a province, or an agency thereof, or a bank, trust company or other financial institution that holds the assets of the pension plan, where that person is not the administrator of the pension plan;

- (s) “resource corporation” means a corporation that has, at all times since the date on which it was incorporated,
 - (i) limited its activities to acquiring, holding, exploring, developing, maintaining, improving, managing, operating or disposing of Canadian

resource properties,

- (ii) restricted its investments and loans, other than investments in Canadian resource properties or property to be used in connection with Canadian resource properties owned by it and loans secured by Canadian resource properties to persons resident in Canada for the exploration or development of such properties, to investments and loans authorized for a pension plan under this Schedule, and
- (iii) not borrowed money other than for the purpose of earning income from Canadian resource properties;
- (t) “security” means
 - (i) in respect of a corporation, a share of any class of shares of the corporation or a debt obligation of the corporation, and includes a warrant of the corporation, but does not include a deposit with a financial institution or an instrument evidencing such a deposit, and
 - (ii) in respect of any other entity, any ownership interest in or debt obligation of the entity;
- (u) “segregated fund” means a fund established by a corporation that is duly authorized to operate a fund in which contributions to a pension plan are deposited and the assets of which are held exclusively for the purposes of that pension plan alone or that pension plan and one or more other pension plans;
- (v) “transaction” includes
 - (i) the making of an investment in securities,
 - (ii) the taking of an assignment of, or otherwise acquiring, a loan made by a third party,
 - (iii) the taking of a security interest in securities, and
 - (iv) any modification, renewal or extension of a prior transaction,but does not include a payment of pensions or other benefits, a transfer pursuant to Section 50 of the Act or a withdrawal of contributions from a pension plan;
- (w) “voting share” means a share of any class of shares of a corporation that carries voting rights under all circumstances, by reason of an event that has occurred and is continuing or by reason of a condition that has been fulfilled.

2 For the purposes of this Schedule, the making, holding or acquiring of an investment indirectly by an administrator on behalf of a pension plan, the holding, acquiring or owning of property indirectly by an administrator on behalf of a pension plan or the lending of money indirectly by an administrator on behalf of a pension plan includes the

holding, making, acquiring, owning or lending of an investment, a property or money, as the case may be, by

- (a) a real estate corporation, resource corporation or investment corporation in which the moneys of the pension plan have been invested in accordance with Section 12, 13 or 14;
- (b) a real estate corporation, resource corporation or investment corporation of which a corporation referred to in clause (a) holds securities to which are attached more than 30% of the votes that may be cast to elect the directors of the real estate corporation, resource corporation or investment corporation; or
- (c) a mutual or pooled fund or trust fund in which the moneys of the pension plan have been invested.

3 (1) For the purposes of this Schedule,

- (a) a person or pension plan controls a corporation if securities of the corporation to which are attached more than 50% of the votes that may be cast to elect the directors of the corporation are beneficially owned by the person or pension plan and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation;
- (b) a person or pension plan controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests into which the unincorporated entity is divided are beneficially owned by the person or pension plan and the person or pension plan is able to direct the business and affairs of the unincorporated entity;
- (c) the general partner of a limited partnership controls the limited partnership; and
- (d) a trustee of a trust controls the trust.

(2) For the purposes of this Schedule, a person or pension plan who controls an entity controls any other entity that is controlled by the entity.

4 For the purposes of this Schedule, a corporation is a subsidiary of another corporation if it is controlled by the other corporation.

5 For the purposes of this Schedule, one entity is affiliated with another entity if the entity is controlled by the other entity or if both entities are controlled by the same person.

6 For the purposes of this Schedule, a person or pension plan has a substantial investment in

- (a) an unincorporated entity if the person, the pension plan or an entity controlled by the person or pension plan beneficially owns more than 25% of the ownership interests in the unincorporated entity; and
- (b) a corporation if
 - (i) the voting rights attached to voting shares of the corporation that are beneficially owned by the person or pension plan, or by an entity controlled by the person or pension plan, exceed 10% of the voting rights attached to all of the outstanding voting shares of the corporation, or
 - (ii) shares of the corporation that are beneficially owned by the person or pension plan, or by an entity controlled by the person or pension plan, represent ownership of more than 25% of the shareholders' equity of the corporation.

7 For the purposes of this Schedule, a person or pension plan is associated with

- (a) a corporation that the person or pension plan controls and every affiliate of every such corporation;
- (b) a person who controls the person or pension plan;
- (c) a partner who has a substantial investment in a partnership in which the person or pension plan has a substantial investment;
- (d) a trust or estate in which the person or pension plan has a substantial investment or for which the person or pension plan serves as trustee or in a similar capacity to a trustee;
- (e) the spouse or common-law partner of the person; and
- (f) a brother, sister or child or other descendant of the person, or the spouse or common-law partner thereof.

Application

8 This Schedule does not apply in respect of

- (a) an insured pension plan or a pension plan in respect of which all benefits are provided through an annuity contract issued by the Government of Canada; or
- (b) investments held in an unallocated general fund of a person authorized to carry on a life insurance business in Canada.

Quantitative limits

- 9** (1) The administrator of a pension plan shall not, directly or indirectly, lend moneys of the pension plan equal to more than 10% of the total book value of the pension plan's assets to, or invest moneys equal to more than 10% of the total book value of the pension plan's assets in,
- (a) any one person;
 - (b) two or more associated persons; or
 - (c) two or more affiliated corporations.
- (2) Subsection (1) does not apply in respect of moneys of a pension plan held by a bank, trust company or other financial institution to the extent that the moneys are fully insured by the Canada Deposit Insurance Corporation, by the Canadian Life and Health Insurance Compensation Corporation or by any similar provincial body established for the purpose of providing insurance against loss of deposits with trust companies or other financial institutions.
- (3) Subsection (1) does not apply in respect of investments in
- (a) a segregated fund, mutual fund or pooled fund that complies with the requirements applicable to a pension plan that are set out in this Schedule;
 - (b) an unallocated general fund of a person authorized to carry on a life insurance business in Canada;
 - (c) an investment corporation, real estate corporation or resource-corporation;
 - (d) securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency thereof;
 - (e) a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency thereof; or
 - (f) a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a public exchange.
- 10** (1) The administrator of a pension plan shall not, directly or indirectly, invest moneys of the pension plan in real property or Canadian resource properties if, at the time the investment is made,
- (a) the book value of the investment in any one parcel of real property or Canadian resource property exceeds 5% of the book value of the pension plan's assets;
 - (b) the aggregate book value of all investments in Canadian resource-properties exceeds 15% of the book value of the pension plan's assets; or
 - (c) the aggregate book value of all investments in real property and Canadian

resource properties exceeds 25% of the book value of the pension plan's assets.

- (2) Where real property is subdivided into two or more parcels and the beneficial ownership of the real property remains the same, or where a person directly or indirectly acquires two or more parcels for consolidation, the real property shall be treated as one parcel for the purposes of the investment limits set out in this Section.
- 11
 - (1) Subject to subsection (2), the administrator of a pension plan shall not, directly or indirectly, invest the moneys of the pension plan in the securities of a corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation.
 - (2) Subsection (1) does not apply in respect of investments in securities of
 - (a) a real estate corporation;
 - (b) a resource corporation; or
 - (c) an investment corporation.
- 12
 - (1) The administrator of a pension plan shall not, directly or indirectly, invest the moneys of the pension plan in the securities of a real estate corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation, unless the administrator first obtains and deposits with the Superintendent an undertaking by the corporation that, while those securities are held, the corporation will
 - (a) file with the Superintendent, at such intervals or times as the Superintendent directs,
 - (i) copies of its annual financial statements,
 - (ii) copies of its audited financial statements in respect of fiscal years ending after December 31, 1996,
 - (iii) a list clearly identifying the assets of the corporation and the market value of each asset,
 - (iv) a list of the names of its officers, directors and shareholders, and
 - (v) a certificate stating that the corporation is complying with its undertaking;
 - (b) permit the Superintendent or an authorized member of the Superintendent's staff to visit its head office and to examine its books and records;
 - (c) limit its activities to acquiring, holding, maintaining, improving, leasing or managing real property other than real property that yields petroleum or

natural gas;

- (d) not carry on the activities referred to in clause (c) in respect of any real property that is not owned by, or on behalf of, or mortgaged to,
 - (i) the pension plan,
 - (ii) the corporation,
 - (iii) any other real estate corporation in which securities to which are attached more than 30% of the votes that may be cast to elect the directors of that corporation have been invested in by, or on behalf of, the pension plan pursuant to this subsection, or
 - (iv) any other real estate corporation in which securities to which are attached more than 30% of the votes that may be cast to elect the directors of that corporation are owned by the corporation or by a real estate corporation referred to in subclause (iii);
 - (e) procure, at the request of the Superintendent and at its own expense, an appraisal by one or more accredited appraisers of any parcel of real-property owned by it or on its behalf;
 - (f) not lend any of its assets to, or invest any of its moneys in, a related party of the pension plan;
 - (g) restrict its investments and loans, other than investments in real property or in the securities of other real estate corporations, to those authorized for the pension plan under this Schedule; and
 - (h) not invest, or hold an investment, in securities of any other real estate corporation to which are attached more than 30% of the votes that may be cast to elect the directors of that corporation, unless the corporation first obtains and deposits with the Superintendent an undertaking by the other real estate corporation not to invest, or hold an investment, in the securities of any other real estate corporation.
- (2) A list of assets referred to in subclause (1)(a)(iii)
- (a) shall not include any asset, other than an asset referred to in clause-(1)(g), that is not authorized under this Schedule; and
 - (b) shall value any securities that are included in the assets of the corporation at a value not exceeding the market value thereof.
- (3) The common shares of the real estate corporation held by or on behalf of the plan shall be taken into account in the balance sheet of the plan at a value not greater than the amount obtained by multiplying

- (a) an amount equal to the total assets of the corporation less the sum of its total liabilities and its preferred capital stock

by

- (b) the number of common shares of the corporation held by, or on behalf of, the pension plan divided by the total number of the issued and outstanding common shares of the corporation.

13 (1) The administrator of a pension plan shall not, directly or indirectly, invest the moneys of the pension plan in the securities of a resource corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation, unless the administrator first obtains and deposits with the Superintendent an undertaking by the corporation that, while those securities are held, the corporation will

- (a) file with the Superintendent, at such intervals or times as the Superintendent directs,

- (i) copies of its annual financial statements,

- (ii) copies of its audited financial statements in respect of fiscal years ending after December 31, 1996,

- (iii) a list clearly identifying the assets of the corporation and the market value of each asset,

- (iv) a list of the names of its officers, directors and shareholders, and

- (v) a certificate stating that the corporation is complying with its undertaking;

- (b) permit the Superintendent or an authorized member of the Superintendent's staff to visit its head office and to examine its books and records;

- (c) limit its activities to acquiring, holding, exploring, developing, maintaining, improving, managing, operating or disposing of Canadian resource properties;

- (d) not carry on the activities referred to in clause (c) in respect of any Canadian resource property that is not owned by, or on behalf of,

- (i) the pension plan,

- (ii) the corporation,

- (iii) any other resource corporation in which securities to which are

attached more than 30% of the votes that may be cast to elect the directors of that corporation have been invested in by, or on behalf of, the pension plan pursuant to this subsection, or

- (iv) any other resource corporation in which securities to which are attached more than 30% of the votes that may be cast to elect the directors of that corporation are owned by the corporation or by a resource corporation referred to in subclause (iii);
 - (e) procure, at the request of the Superintendent and at its own expense, an appraisal by one or more accredited appraisers of any Canadian resource property owned by it;
 - (f) not lend any of its assets to, or invest any of its moneys in, a related party of the pension plan;
 - (g) restrict its investments and loans, other than investments in Canadian resource property or properties to be used in connection with Canadian resource properties owned by it, loans secured by Canadian resource properties to persons resident in Canada for the exploration or development of such properties and investments in the securities of other resource corporations, to investments and loans authorized for the pension plan under this Schedule;
 - (h) not borrow money other than for the purpose of earning income from Canadian resource properties; and
 - (i) not invest, or hold an investment, in securities of any other resource corporation to which are attached more than 30% of the votes that may be cast to elect the directors of that corporation, unless the corporation first obtains and deposits with the Superintendent an undertaking by the other resource corporation not to invest, or hold an investment, in the securities of any other resource corporation.
- (2)** A list of assets referred to in subclause (1)(a)(iii)
- (a) shall not include any asset, other than an asset referred to in clause (1)(g), that is not authorized under this Schedule; and
 - (b) shall value any securities that are included in the assets of the corporation at a value not exceeding the market value.
- (3)** The common shares of the resource corporation held by or on behalf of a plan shall be taken into account in the balance sheet of the plan at a value not greater than the amount obtained by multiplying
- (a) an amount equal to the total assets of the corporation set out in the balance sheet less the sum of its liabilities and its preferred capital stock

by

- (b) the number of common shares of the corporation held by, or on behalf of, the pension plan divided by the total number of the issued and outstanding common shares of the corporation.

14 The administrator of a pension plan shall not, directly or indirectly, invest the moneys of the pension plan in the securities of an investment corporation to which are attached more than 30% of the votes that may be cast to elect the directors of the corporation, unless the administrator first obtains and deposits with the Superintendent an undertaking by the corporation that, while those securities are held, the corporation will

- (a) file with the Superintendent, at such intervals or times as the Superintendent directs,
 - (i) copies of its annual financial statements,
 - (ii) copies of its audited financial statements in respect of fiscal years ending after December 31, 1996,
 - (iii) a list clearly identifying the assets of the corporation and the market value of each asset,
 - (iv) a list of the names of its officers, directors and shareholders, and
 - (v) a certificate stating that the corporation is complying with its undertaking;
- (b) permit the Superintendent or an authorized member of the Superintendent's staff to visit its head office and to examine its books and records;
- (c) hold at least 98% of its assets in cash, investments and loans;
- (d) not issue debt obligations;
- (e) obtain at least 98% of its income from investments and loans;
- (f) not lend any of its assets to, or invest any of its moneys in, a related party of the pension plan; and
- (g) not invest, or hold an investment, in securities of any other investment corporation if there are attached to those securities more than 30% of the votes that may be cast to elect the directors of that corporation, unless the corporation first obtains and deposits with the Superintendent an undertaking by the other investment corporation not to invest, or hold an investment, in the securities of any other investment corporation.

- 15** For the purposes of Sections 16 and 17,
- (a) where a transaction is entered into by, or on behalf of, a pension plan with a person who the administrator of the pension plan, or any person acting on the administrator's behalf, knows will become a related party to the pension plan, the person shall be considered to be a related party of the pension plan in respect of the transaction; and
 - (b) the fulfilment of an obligation under the terms of any transaction, including the payment of interest on a loan or deposit, is part of the transaction and not a separate transaction.
- 16** (1) Subject to Sections 17 and 18, the administrator of a pension plan shall not, directly or indirectly,
- (a) lend the moneys of the pension plan to a related party or invest those moneys in the securities of a related party; or
 - (b) enter into a transaction with a related party on behalf of the pension plan.
- (2) Subject to Sections 17 and 18, during the period of twelve months after the day on which a person ceases to be a related party of a pension plan, the administrator of the pension plan shall not, directly or indirectly,
- (a) lend the moneys of the pension plan to that person or invest those moneys in the securities of that person; or
 - (b) enter into a transaction with that person on behalf of the pension plan.
- 17** (1) The administrator of a pension plan may enter into a transaction with a related party on behalf of the pension plan if
- (a) the transaction is required for the operation or administration of the pension plan; and
 - (b) the terms and conditions of the transaction are not less favourable to the pension plan than market terms and conditions.
- (2) The administrator of a pension plan may invest the moneys of the pension plan in the securities of a related party if those securities are acquired at a public exchange.
- (3) The administrator of a pension plan may enter into a transaction with a related party on behalf of the pension plan if the value of the transaction is nominal or the transaction is immaterial to the pension plan.
- (4) For the purposes of subsection (3), in assessing whether the value of a transaction is nominal or whether a transaction is immaterial, two or more transactions with the same related party shall be considered as a single transaction.

General

18 Sections 9 to 16 do not apply in respect of

- (a) investments in a corporation that are held by, or on behalf of, a pension plan as a result of an arrangement, within the meaning of subsection 192(1) of the Canada Business Corporations Act, for the reorganization or liquidation of the corporation or for the amalgamation of the corporation with another corporation, if the investments are to be exchanged for shares or debt obligations;
- (b) assets that are acquired by, or on behalf of, a pension plan through the realization of a security interest held by, or on behalf of, the pension plan and that are held for a period not exceeding two years from the day on which the assets were acquired.

Schedule III replaced: O.I.C. 96-53, N.S. Reg. 19/96.



Schedule IV

Nova Scotia LIF Addendum

Definitions

1. (1) “Spouse” means either of a man and woman who

- (i) are married to each other;
- (ii) are married to each other by a marriage which is voidable and has not been annulled by a declaration of nullity, or
- (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or, if they have ceased to cohabit, have cohabited within the twelve-month period immediately preceding the date of entitlement;

(2) “Common-law partner” of an individual means another individual who has cohabited with the individual in a conjugal relationship for a period of at least two years, neither of them being a spouse;

(3) “fiscal year” of a LIF ends on December 31 in each year and never exceeds 12 months;

(4) “Reference Rate” for a year is based on the month-end nominal rate of interest earned on long-term bonds issued by the Government of Canada for the month of November preceding the beginning of the fiscal year, as compiled by Statistics Canada and published in the Bank of Canada Review as CANSIM Series B-14013. The following adjustments are applied successively to that nominal rate:

- a) an increase of 0.5%;
- b) the conversion of the increased rate, based on interest compounded semi-annually, to an effective annual rate of interest;
- c) the rounding of the effective interest rate to the nearest multiple of 0.5%.

The reference rate may not be less than 6%.

(5) “Temporary Income” is periodic income paid under a pension plan, annuity or a LIF to a person for a temporary period of time after retirement for the purposes of supplementing retirement income until the person is eligible to receive benefits under the *Old Age Security Act*(Canada) or is either eligible for or commences to receive retirement benefits under the Canada Pension Plan or Quebec Pension Plan.

Prohibitions

2. Money cannot be commuted, withdrawn or surrendered in whole or in part, except as permitted by Regulation 19C & 19D (Considerably shortened life expectancy and small

amounts at age 65).

3. Money held in a LIF may not be assigned, charged, or given as security except as permitted by subsection 70(3) or Section 71A of the Act and any transaction purporting to assign, charge or give such money transferred as security is void.

Income Commencement

4. (1) The owner shall be paid an income from the LIF, the amount of which may vary annually;

(2) Payment of the income from the LIF to the owner must begin no earlier than the earliest date the owner was entitled to receive a pension under any of pension plans from which the money was transferred into the fund, directly or indirectly;

(3) Payments must begin no later than the end of the second fiscal year of the fund;

(4) the minimum amount of income paid during a fiscal year must not be not less than the minimum amount prescribed for a RRIF under the Income Tax Act (Canada);

(5) the owner shall establish the amount of income to be paid during each fiscal year at the beginning of that fiscal year and after the receipt of the information specified in clause (a) of subsection (13). If the financial institution guarantees the rate of return of the LIF over a period that is greater than one year, that period must end at the end of a fiscal year; the owner may establish the amount of income to be paid during that period at the beginning of that period.

Minimum LIF Withdrawal

5. The amount of the income paid during the fiscal year of the life income fund may not be less than the minimum amount prescribed by the Income Tax Act (Canada), determined on the basis of the owner's age. That amount may be determined on the basis of the age of the owner's spouse or common-law partner where that person is younger than the owner.

Maximum LIF Withdrawal - no provision for temporary income

6. The Maximum Income(M) to be paid from a LIF, where no temporary income is paid, is:

$$M = F * C$$

'F' is the factor in schedule 5 for the reference rate for the fiscal year and the owner's age

at the end of the preceding year;

“C” is the balance of the fund at the beginning of the fiscal year, increased by any money transferred to the fund after that date and reduced by any money transferred from a LIF to the fund in the same year;

Maximum LIF Withdrawal -with temporary income

7. (1) The LIF contract may also provide that the owner may be entitled to a temporary income if the owner meets the following requirements:

a) the owner makes an application to the financial institution for payment of a temporary income under a LIF (form 9);

b) the owner is at least age 54 but under age 65 at the end of the year preceding the application.

(2) The temporary income may not be paid after the end of the year in which the owner reaches age 65.

(3) No temporary income is payable if any portion of a LIF payment is transferred to a non-locked-in retirement savings arrangement.

Maximum Income (M) = Maximum Life Income (E) + Maximum Temporary Income (A)

(4) The Maximum Temporary Income (A) for the fiscal year:

“A” is the lesser of

a) (40% of the years maximum pensionable earnings) - T, and

b) $F * C * D$

where

“F” is the factor in schedule 5 for the reference rate for the fiscal year and the owner’s age at the end of the preceding year;

“C” is the balance of the fund at the beginning of the fiscal year, increased by any money transferred to the fund after that date and reduced by any money originating during the same year from a LIF;

“T” is the total of temporary income from a pension plan for that fiscal year and temporary income from other LIFs of the owner

“D” is the factor in schedule 6 for the owner’s age at the end of the year preceding the current fiscal year

If $F * C * D$ is less than 40% of the years maximum pensionable earnings, and the owner is not entitled to any temporary income from another LIF or from a pension plan,

“A” is the lesser of

- (a) 40 % of the years maximum pensionable earnings, and
- (b) fund plus earnings and transfers less LIF transfers

(5) The Maximum Life Income (E) to be paid from a LIF where a temporary income is paid is E, where

$E = F * C - A / D$, and E may not be less than zero

“F” is the factor in schedule 5 for the reference rate for the fiscal year and the owner’s age at the end of the preceding year;

“C” is the balance of the fund at the beginning of the fiscal year, increased by any money transferred to the fund after that date and reduced by any money originating during the same year from a LIF;

Maximum Income payable when the financial institution guarantees the rate of return of the LIF

8. (1) Where the financial institution has guaranteed the rate of return of the LIF over a period greater than one year, and the owner establishes the amount of income to be paid during that period, the Maximum Income that may be paid during each of the fiscal years of that period is determined at the beginning of each of those fiscal years.

(2) For the first fiscal year, the Maximum Income is determined in accordance with section 7; and

(3) For each subsequent year, the Maximum Income is equal to $L =$

$$L = M \times J / K$$

“M” represents the Maximum Income determined for the initial fiscal year;

“J” represents the balance of the fund at the beginning of the fiscal year;

“K” represents the balance of the fund: (a) at the beginning of the initial fiscal year shall be equal to the balance of the fund at that date, (b) for each subsequent fiscal year shall be equal to the balance of the fund as of the preceding fiscal year, reduced as of the first day of the preceding fiscal year by the Maximum Income (M) calculated for the initial fiscal year and increased by the earnings determined in the first 16 fiscal years by the reference rate, and, in all subsequent years by a rate of 6%.

Excess Income Paid

9. If the income paid to the owner during the fiscal year of the fund exceeds the maximum that may be paid, the balance of the fund shall not be reduced by such excess, unless the payment is attributable to incorrect information provided by the owner.

Information to be Provided by the Financial Institution

10. The financial institution must provide the owner information specified in this subsection:

(1) At the beginning of each fiscal year, the financial institution shall provide to the owner a statement indicating:

(a) the balance in the LIF at the beginning of the fiscal year;

(b) information on the sums deposited, any accumulated investment earnings including any unrealized capital gains or losses, the payments made during the fiscal year and the fees charged against it during the previous fiscal year;

(c) the minimum amount that must be paid out as income to the owner during the current fiscal year;

(d) the maximum amount that may be paid out as income to the owner during the current fiscal year;

(e) where the beginning of the fiscal year is later than the beginning of the year, the sums deposited which were held in another LIF during the year;

(f) where the LIF provides for payment of a temporary income and the owner was at least 54 but less than 65 at the end of the preceding year:

(i) the terms and conditions the owner must meet to be entitled to payment of the temporary income under section 7;

(iii) the effect payment of temporary income has on the income that may be paid to the owner after age 65

(g) that the maximum amount of income which may be paid to the owner will not be

increased if a transfer is made to the LIF of funds held in another LIF during that year

(h) that if the owner wishes to transfer, in whole or in part, the balance of the LIF and still receive from the LIF the income determined for the fiscal year an amount must be retained in the LIF at least equal to the difference between the income determined for the fiscal year and the income already received from the LIF since the beginning of the fiscal year;

(2) Where the owner dies before the balance in the LIF is used to purchase a life annuity contract or is transferred under section 11, the financial institution must provide to the owner's spouse or common-law partner or beneficiary or estate the information in clause 1 (a) & (b) as of the owner's date of death.

(3) Where the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must provide the owner the information in clause 1(a) & (b) to the date of the transfer or annuity purchase.

(4) Where the balance of the LIF is transferred to another financial institution or used to purchase a life annuity, the financial institution must comply with the requirements of an administrator under subsections (9), (10), and (11).

Information Provided upon transfer of additional amounts to the fund

(4) Within 30 days following a transfer to a LIF of locked-in funds which have not been held in a LIF at any time in the current year, the financial institution shall provide the owner with a statement indicating:

(a) The balance of the LIF at the beginning of the year, any money transferred into the LIF during the year and balance of the fund used to determine the maximum amount that may be paid to the owner as income during the fiscal year;

(b) The maximum amount that may be paid to the owner as income during the fiscal year;

(c) The minimum amount that must be paid to the owner as income during the fiscal year;

(d) If the LIF provides for payment of a temporary income and the owner is at least 54 years of age but less than 65 years of age at the end of the preceding year, that the owner is entitled to receive payment of a temporary income.

(5) Where a transfer is made of locked-in funds held in a LIF at any time in the current year, the maximum amount of income determined under the LIF may not be increased.

Transferring Assets From of the Fund

11. (1) The owner of a LIF may transfer all or part of the LIF

(a) to another LIF,

(b) to purchase of an immediate life annuity contract that meets the conditions of Section 19 , provided the annuity does not commence on a date the earliest date the owner was entitled to receive a pension under any of pension plans from which the money was transferred into the fund.

(c) before December 31 in the year the owner reaches age 69, to an locked-in retirement account.

(2) If assets in the fund consist of identifiable and transferable securities, the financial institution may transfer the securities with the consent of the owner.

(3) The date of transfer may not be more than 30 days after the date of application by the purchaser unless the term agreed to for the investments has not expired.

(4) The financial institution must advise the financial institution to which the funds are transferred that the funds were held in a LIF in the current year.

Death Benefit

12. (1) On the death of the owner, the balance in the LIF shall be paid to or for the benefit of the spouse or common-law partner or, if there is no spouse or common-law partner, the designated beneficiary or, if there is no valid designation of beneficiary, the estate;

(2) the spouse or common-law partner is not entitled to receive the death benefit if a division has been made under section 61 of the Act of the pension benefits transferred to the LIF, unless the spouse or common-law partner is the designated beneficiary.

Withdrawals

13. Application for withdrawal of the funds held in a LIF may be made in accordance with Regulation 19C & D. (Considerably shortened life expectancy and small amounts at age 65)

Schedule V

Age	6.00%	6.50%	7.00%	7.500%	8.00%	8.50%	9.00%	9.50%
under 55	0.061	0.063	0.066	0.069	0.072	0.075	0.078	0.081
55	0.064	0.067	0.070	0.073	0.076	0.079	0.082	0.085
56	0.065	0.067	0.070	0.073	0.076	0.079	0.082	0.085
57	0.065	0.068	0.071	0.074	0.077	0.080	0.083	0.086
58	0.066	0.069	0.071	0.074	0.077	0.080	0.083	0.086
59	0.067	0.069	0.072	0.075	0.078	0.081	0.084	0.087
60	0.067	0.070	0.073	0.076	0.079	0.082	0.085	0.088
61	0.068	0.071	0.074	0.077	0.079	0.082	0.086	0.089
62	0.069	0.072	0.074	0.077	0.080	0.083	0.086	0.089
63	0.070	0.073	0.075	0.078	0.081	0.084	0.087	0.090
64	0.071	0.074	0.076	0.079	0.082	0.085	0.088	0.091
65	0.072	0.075	0.077	0.080	0.083	0.086	0.089	0.093
66	0.073	0.076	0.079	0.082	0.085	0.088	0.091	0.094
67	0.074	0.077	0.080	0.083	0.086	0.089	0.092	0.095
68	0.076	0.078	0.081	0.084	0.087	0.090	0.093	0.096
69	0.077	0.080	0.083	0.086	0.089	0.092	0.095	0.098
70	0.079	0.082	0.085	0.088	0.091	0.094	0.097	0.100
71	0.081	0.084	0.087	0.089	0.092	0.095	0.098	0.102
72	0.083	0.086	0.089	0.092	0.095	0.098	0.101	0.104
73	0.085	0.088	0.091	0.094	0.097	0.100	0.103	0.106
74	0.088	0.091	0.094	0.097	0.099	0.102	0.105	0.108
75	0.091	0.094	0.097	0.100	0.102	0.105	0.108	0.111
76	0.094	0.097	0.100	0.103	0.106	0.109	0.112	0.114
77	0.098	0.101	0.104	0.107	0.110	0.112	0.115	0.118
78	0.103	0.106	0.109	0.111	0.114	0.117	0.120	0.123
79	0.108	0.111	0.114	0.117	0.119	0.122	0.125	0.128
80	0.115	0.117	0.120	0.123	0.125	0.128	0.131	0.133
81	0.121	0.124	0.127	0.129	0.132	0.135	0.137	0.140
82	0.129	0.132	0.134	0.137	0.139	0.142	0.145	0.147
83	0.138	0.140	0.143	0.146	0.148	0.151	0.154	0.156
84	0.148	0.151	0.153	0.156	0.159	0.161	0.164	0.167
85	0.160	0.163	0.165	0.168	0.171	0.173	0.176	0.179
86	0.173	0.176	0.179	0.182	0.184	0.187	0.190	0.193

Age	6.00%	6.50%	7.00%	7.500%	8.00%	8.50%	9.00%	9.50%
87	0.189	0.191	0.194	0.197	0.200	0.200	0.200	0.200
88 or over	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Age	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%	13.00	13.50%
under 55	0.084	0.087	0.090	0.093	0.097	0.100	0.103	0.107
55	0.088	0.091	0.094	0.097	0.101	0.104	0.107	0.111
56	0.088	0.091	0.095	0.098	0.101	0.104	0.108	0.111
57	0.089	0.092	0.095	0.098	0.102	0.105	0.108	0.112
58	0.090	0.093	0.096	0.099	0.102	0.106	0.109	0.112
59	0.090	0.093	0.097	0.100	0.103	0.106	0.110	0.113
60	0.091	0.094	0.097	0.101	0.104	0.107	0.110	0.114
61	0.092	0.095	0.098	0.101	0.105	0.108	0.111	0.115
62	0.093	0.096	0.099	0.102	0.105	0.109	0.112	0.115
63	0.094	0.097	0.100	0.103	0.106	0.110	0.113	0.116
64	0.095	0.098	0.101	0.104	0.107	0.111	0.114	0.117
65	0.096	0.099	0.102	0.105	0.108	0.112	0.115	0.118
66	0.097	0.100	0.103	0.106	0.110	0.113	0.116	0.119
67	0.098	0.101	0.104	0.108	0.111	0.114	0.117	0.121
68	0.100	0.103	0.106	0.109	0.112	0.115	0.119	0.122
69	0.101	0.104	0.107	0.111	0.114	0.117	0.120	0.123
70	0.103	0.106	0.109	0.112	0.115	0.119	0.122	0.125
71	0.105	0.108	0.111	0.114	0.117	0.120	0.123	0.127
72	0.107	0.110	0.113	0.116	0.119	0.122	0.125	0.129
73	0.109	0.112	0.115	0.118	0.121	0.124	0.127	0.131
74	0.111	0.114	0.117	0.120	0.124	0.127	0.130	0.133
75	0.114	0.117	0.120	0.123	0.126	0.129	0.132	0.135
76	0.117	0.120	0.123	0.126	0.129	0.132	0.135	0.138
77	0.121	0.124	0.127	0.130	0.133	0.136	0.139	0.142
78	0.126	0.128	0.131	0.134	0.137	0.140	0.143	0.146
79	0.131	0.134	0.137	0.139	0.142	0.145	0.148	0.151
80	0.136	0.139	0.142	0.144	0.147	0.150	0.153	0.155
81	0.143	0.145	0.148	0.151	0.153	0.156	0.159	0.161
82	0.150	0.153	0.155	0.158	0.161	0.163	0.166	0.169
83	0.159	0.161	0.164	0.167	0.169	0.172	0.175	0.177

Age	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%	13.00	13.50%
84	0.169	0.172	0.174	0.177	0.180	0.182	0.185	0.187
85	0.181	0.184	0.187	0.189	0.192	0.194	0.197	0.200
86	0.195	0.198	0.200	0.200	0.200	0.200	0.200	0.200
87	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
88 or over	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200

Schedule VI

Age	
under 54	1.000
54	1.691
55	1.706
56	1.804
57	1.953
58	2.151
59	2.379
60	2.705
61	3.202
62	4.090
63	5.811
64	10.989
65 or over	1.000

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Pension Benefits Regulations

made under Section 105 of the

Pension Benefits Act

R.S.N.S. 1989, c. 340

O.I.C. 87-1548, N.S. Reg. 269/87

as amended up to O.I.C. 2001-392, N.S. Reg. 102/2001

August 16, 2001

Consolidation prepared by
the Registry of Regulations
Halifax, Nova Scotia

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