




Special Notice

April 20, 2020

Quebec government announces measures to assist supplemental pension plans due to COVID-19 crisis

 On April 16, 2020, Retraite Quebec published information in response to the COVID-19 crisis introducing temporary easing measures to assist supplemental pension plan administrators dealing with administrative and plan security issues related to the pandemic.

The measures extend the deadlines for several regulatory and legislative obligations for supplemental pension plans in the province, and provide an update on the degree of solvency that must be taken into account for payments (transfers and refunds) under defined benefit (DB) plans.



General extensions of filing deadlines

The measures extend the deadlines for filing specified documents with Retraite Quebec, as well as, for specified documents to be provided to plan members, by up to three months for all plans with deadlines that had not expired by March 12, 2020 without additional fees or monetary penalties. The following table (based on information provided by Retraite Quebec) notes the current and extended deadlines:

Supplemental pension plan (SPP)	Current deadline	Extended deadline
Annual statement for members and beneficiaries	September 30, 2020	December 31, 2020
Triennial or annual actuarial valuation, actuarial valuation for an amendment to the plan or for the use of excess assets	September 30, 2020	December 31, 2020
Actuarial valuation for a purchase of annuities	Within 4 months of the date of purchase	Current deadline + 3 months
Actuarial valuation required by Retraite Québec	Within 60 days of the date of the valuation	Current deadline + 3 months
Notice regarding the plan's financial situation	September 30, 2020	December 31, 2020
Actuarial valuation for a negotiated contribution plan	June 30, 2020	September 30, 2020
Recovery plan for negotiated contribution plans	Within 18 months of the valuation date	Current deadline + 3 months
Application for registration of amendments provided for in the recovery plan	Within 24 months of the valuation date	Current deadline + 3 months
Annual information return (AIR) and financial report	June 30, 2020	September 30, 2020
Notice of annual meeting	September 30, 2020	December 31, 2020
Termination report	Within 90 days of receiving the termination report	Current deadline + 3 months
Termination or employer withdrawal report (if the employer is insolvent)	Within 120 days of the date of the termination or withdrawal	Current deadline + 3 months

Simplified pension plan (SPP)	Current deadline	Extended deadline
AIR and financial report	June 30, 2020	September 30, 2020

The measures do not currently extend the deadlines for sending a statement to an employee who has left the pension plan, or the deadline for filing transfer applications.



Measures related to the degree of solvency to be considered for transfer payments and refunds for DB plans

The measures state that all payments related to transfers and refunds made between April 17, 2020, and December 31, 2020, must take into account a degree of solvency that reflects the plans' current financial situation.

As such, any payments must take into account the degree of solvency of the plan as of the last working day of the month preceding the date on which the value of a member's benefits was determined. Any value determined prior to April 1, 2020, is required to use the degree of solvency as determined by the plan's estimated financial situation as at March 31, 2020.

Retraite Quebec notes that estimates of the degree of solvency must be based on an actuary's review of the plan's estimated financial situation and consider the real rate of return of the pension fund, changes in interest rates on a solvency basis, and contributions made since the last complete actuarial valuation of the plan. Estimates must be provided to Retraite Quebec when requested.

Other considerations:

- Deadlines for the payment of contributions into a pension fund, and for notifying Retraite Quebec of any unpaid contributions (30 days and 60 days, respectively), have not been extended.
- Plans that are not due to produce an actuarial valuation based on the required three-year valuation cycle can elect to produce an actuarial valuation as at December 31, 2019 regardless of whether it is required, as permitted pursuant to the requirements of the *Supplemental Pension Plans Act*, without any previous authorization from Retraite Quebec.

The measures are subject to legislative provisions and are designed as temporary relief. Given the on-going changes as a result of the COVID-19 crisis, plan administrators should ensure they have the most up-to-date information with respect to relief measures. If you have any questions or concerns, feel free to contact Eckler for more information.

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