



August 2016

Group Retirement Solutions

PRPP Developments

Until recently, only the Federal government and the province of Quebec had passed legislation and established rules of engagement concerning Pooled Registered Pension Plans (“PRPPs”) in Canada. The [Federal](#) government laid out the framework for PRPP, including the licensing requirements for an authorized financial institution to sell a PRPP, the terms that apply to an employer with federally regulated employees who chooses to offer PRPP to its employees, and the mandatory plan design features that would ensure low cost and facilitate participation by employees and self-employed workers. Quebec introduced its version called the [Voluntary Retirement Savings Plan](#) and, irrespective of the plan name, required employers in Quebec to establish the PRPP if they did not already have a qualifying retirement plan in place for employees.

Since then, a number of other provincial jurisdictions had introduced PRPP legislation, some of it proposed and some of it passed by Royal Assent but contingent upon the PRPP jurisdictional issues being first addressed through the signing of the *Multilateral Agreement Respecting Pooled Registered Pension Plans (Multilateral Agreement)*.

Multilateral Agreement

On June 25th, 2016, a [Notice](#) appearing in the Canada Gazette indicated that the Multilateral Agreement had been signed between, Canada, British Columbia, Nova Scotia, Quebec, the Autorité des marchés financiers and Saskatchewan and is in effect as of June 15th, 2016.

The Multilateral Agreement opens the door for financial institutions to take the appropriate steps to sell PRPP in these jurisdictions. Aside from Quebec, much of the legislation

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mirrors the framework established by the federal government and relaxes the rules around licensing and regulation making it easier for financial institutions to market their products and to administer the plan and easier for employers and plan members to understand. So far, it would appear that only Quebec will require employers to offer a plan with PRPP being optional under Federal jurisdiction and in British Columbia, Nova Scotia, and Saskatchewan.

Other jurisdictions in Canada continue to explore the PRPP landscape and regulatory framework with their governments and are expected to come on board in the not too distant future. Of particular note, Ontario released [draft regulations](#) to the *Ontario Pooled Registered Pension Plans Act, 2015* for consultation and interested parties are invited to provide their comments by August 19th, 2016.

CPP Enhancement Gets Traction – ORPP to Wind Down

On June 20th, 2016 most of the finance ministers from across Canada reached an [agreement in principle](#) to a modest enhancement of the Canada Pension Plan with only Quebec and Manitoba dissenting. Since then, Manitoba has announced its agreement and Quebec continues to review its position related to the Quebec Pension Plan. In order to amend the CPP, the government needs the approval of the majority of provinces representing at least 2/3rds of the Canadian population. The agreement in principle to enhance the CPP was to be approved by all signatories no later than July 15, 2016, however, ratification of the deal has been delayed as British Columbia wants additional time to present it to residents, stakeholders and business owners. The BC consultation process should conclude by the end of the summer.

Ontario has stated publically that the CPP enhancements proposed would satisfy their objective to ensure enhanced retirement security for Ontarians which was the overall

objective of the Ontario Retirement Pension Plan (“ORPP”) and that its initiatives to implement ORPP in Ontario would be discontinued. Despite the delay introduced through the public consultation in British Columbia, a spokeswoman for Ontario Finance Minister Charles Sousa said the province is confident that CPP enhancements should proceed as designed in the agreement in principle and that, as such, ORPP will continue to wind down.

Details about the CPP enhancements can be found here: [Finance Canada](#)

Stabilization Provision Documented under the Quebec SPP

The [Regulation to amend the Regulation respecting Supplemental Pension Plans](#) in Quebec was published in the Official Gazette of Québec on July 13, 2016 and came into effect on July 28, 2016. It contains the scale that must be used to determine the target level of the stabilization provision for a defined benefit pension plan which is based on the percentage of the assets allocated to variable-yield investments in accordance with the target set out in the plan’s investment policy in effect at the date of the actuarial valuation of the plan, and the ratio between the duration of the assets and the duration of the liabilities at that date.

Multi-Jurisdictional Pension Agreement - Effective July 1, 2016

The new [2016 Agreement Respecting Multi-Jurisdictional Pension Plans](#) (2016 Agreement), came into effect on July 1, 2016.

The 2016 Agreement applies to a pension plan that provides benefits for plan members (active, former or retired) in two or more of the following jurisdictions: British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan.

For more information, you can refer to the [June 2016 edition](#) of Legislation Matters and [Questions and Answers on 2016 Agreement](#) published by FSCO.

Group Benefits

Protection for gender identity or expression

On July 25, 2016, British Columbia (B.C.), passed Bill 27, *Human Rights Code Amendment Act, 2016* to include “gender identity or expression” among the protected grounds covered by the Code.

Additionally, Quebec passed [An Act to strengthen the fight against transphobia and improve the situation of transgender minors in particular](#), on June 10, 2016. The Act amends, among other things, the *Charter of human rights and freedoms*, to include “gender identity or expression” as prohibited grounds of discrimination.

Both B.C. and Quebec amendments are aligned with other provincial human rights code across Canada. These amendments are also consistent with the Federal Bill C-16, an [Act to Amend Human Rights Act and the Criminal Code](#) that was introduced for first reading in the House of Commons on May 25, 2016. Details on Bill C-16 are included in the [June 2016 edition](#) of Legislation Matters.

Quebec passes calls for tender legislation for prescription drugs

On June 10, 2016 Quebec passed [An Act to reduce the cost of certain medications covered by the basic prescription drug insurance plan by allowing calls for tenders](#).

This Act amends the *Act respecting prescription drug insurance* to allow the Minister of Health and Social Services to issue a call for tenders in order to enter into a contract with an accredited drug manufacturer for the purpose of establishing the price of a medication or supply and the conditions for its entry on the list of medications.

The Act also allows the Minister to issue a call for tenders in order to enter with an accredited wholesaler into a contract establishing the conditions for the supply of the medication or supply to owner pharmacists and the wholesaler’s profit margin. Such contracts will grant the selected manufacturer and the selected wholesaler exclusivity as regards the medication or supply. Under the Act, calls for tenders must be issued in accordance with the conditions and mechanics determined by ministerial regulation.

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