Manitoba

Pension Commission

Update #26
Funding of Solvency Deficiency on Plan Termination

Revised March 2000

Reference: *The Pension Benefits Act Section: 26(1) and (3), Regulation 28/2000 Section: 4(3.1), 4(4), 13(4), 13(5), 13(5.1), 13(5.2), 13(5.3), 13(5.4), 13(5.5), 13(5.6)*

Effective March 22, 2000, the Regulation under The Pension Benefits Act of Manitoba, Chapter P32, was amended to require the funding of any solvency deficiency on plan termination.

Under the provisions of this Regulation, when a pension plan has a solvency deficiency, as revealed in the wind-up valuation report, the employer must continue to make payments to fund the deficiency. The deficiency must be paid within the five-year period following the termination, according to the usual rules for funding deficiencies. These provisions apply to all pension plans other than multi-unit pension plans as defined in Section 26.1 of the Act.

Annual Information Returns must continue to be filed until the solvency deficiency is amortized.

Within 60 days after the last amortization payment is made, an additional wind up valuation report setting out the method of distribution of the remaining funds must be filed with the Commission. Once the report is approved by the Commission, the members and any other person entitled to a benefit must immediately be paid the remainder of their benefits and the plan wound up.