




CANADA
PRIVY COUNCIL • CONSEIL PRIVÉ

P.C. 2012-815
June 19, 2012

His Excellency the Governor General in Council,
on the recommendation of the President of the Treasury Board,
pursuant to section 16 of the *Pension Benefits Division Act*,
makes the annexed *Regulations Amending the Pension
Benefits Division Regulations*.

REGISTRATION - ENREGISTREMENT	
NO. <u>SDR/2012-132</u>	DATE <u>June 20, 2012</u>
	
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CLERK OF THE PRIVY COUNCIL—LE GREFFIER DU CONSEIL PRIVÉ

REGULATIONS AMENDING THE PENSION BENEFITS DIVISION REGULATIONS

AMENDMENTS

1. Section 20 of the *Pension Benefits Division Regulations*' is amended by striking out "and" at the end of paragraph (b) and by replacing paragraph (c) with the following:

(c) in accordance with subsection 23.1(1), if the member has directed that a payment be made to an eligible employer under a transfer agreement entered into under section 40.2 of the *Public Service Superannuation Act*; and

(d) in accordance with subsection 23.1(1.1), if the member has directed that a payment be made to an eligible employer under a transfer agreement entered into under section 24.1 of the *Royal Canadian Mounted Police Superannuation Act*.

2. Section 23.1 of the Regulations is amended by adding the following after subsection (1):

(1.1) Any amount to be paid in respect of a member to an eligible employer under a transfer agreement entered into under section 24.1 of the *Royal Canadian Mounted Police Superannuation Act*, or to be paid to the member as a consequence of that payment, shall be reduced by the actuarial present value of the reduction that would have been made to the member's pension benefits under sections 20 and 21 had the member remained a member of the Royal Canadian Mounted Police.

COMING INTO FORCE

3. These Regulations come into force on September 1, 2012, but if they are registered after that day, they come into force on the day on which they are registered.

REGULATORY IMPACT ANALYSIS STATEMENT

(This statement is not part of the Regulations.)

Issue and objectives

The *Pension Benefits Division Act* (PBDA) provides for the division of pension benefits accrued by members of federal public sector statutory pension plans in cases of divorce or separation of the plan member from their spouse or common-law partner. The division is accomplished by transferring a lump sum share of the earned credits to a retirement savings vehicle selected by the spouse or common-law partner and making a corresponding adjustment to the plan member's pension benefit at the time it becomes payable. The Regulations under the PBDA set out the instructions for making those adjustments.

An Act to amend the Royal Canadian Mounted Police Superannuation Act, to validate certain calculations and to amend other Acts received Royal Assent on June 18, 2009. It amended the *Royal Canadian Mounted Police Superannuation Act* to provide the necessary authorities to expand existing election for prior service provisions and to introduce pension transfer agreements.

Amendments to the *Royal Canadian Mounted Police Superannuation Regulations* are being made concurrently to implement the provisions regarding the payment of transfer value pension benefit, the revision of the rules for elections to count prior service, and the introduction of pension transfer agreements which will allow the Royal Canadian Mounted Police to enter into formal arrangements with outside employers, to permit the transfer of pension credits into and out of the Royal Canadian Mounted Police Pension Plan.

The amendments to the *Pension Benefits Division Regulations* are consequential to the implementation of pension transfer agreements for members of the Royal Canadian Mounted Police. The amendments to the *Pension Benefits Division Regulations* ensure that the calculation of the amounts payable under a transfer agreement takes into account a situation where there has been a payment made out of the Royal Canadian Mounted Police Pension Plan under the PBDA.

Description and rationale

The amendments to the *Pension Benefits Division Regulations* ensure that any amount paid out of the Royal Canadian Mounted Police Pension Plan to another employer pursuant to a pension transfer agreement, or any amount paid to the plan member as a consequence of that transfer, is reduced by the actuarial value of the reduction that would otherwise have been made to the member's pension benefit at the time of retirement because of a payment under the *Pension Benefit Division Act* in respect of a spouse or common-law partner.

Administrative costs associated with implementing these Regulations form part of the annual ongoing administrative costs charged to the Royal Canadian Mounted Police Pension Fund.

Contact

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