



The Department of Finance released the final version of amendments to the federal *Pension Benefits Standards Regulations* on March 25, 2011. The amendments finalize the proposed Regulations published on December 18, 2010, and come into force on April 1, 2011. The Regulations will be of particular interest to sponsors of federally regulated private pension plans.

The Department of Finance [news release](#) states that the amendments will:

- permit plan sponsors to secure properly structured letters of credit in lieu of making solvency payments to the pension fund, up to a limit of 15 per cent of plan assets;
- require the plan sponsor to fully fund pension benefits on plan termination;
- void any amendments to a pension plan that would reduce the solvency ratio of the pension plan if the plan's solvency ratio would be below a ratio of 0.85; and
- permit sponsors, plan members and retirees of a distressed pension plan to negotiate their own funding arrangements to facilitate a plan restructuring.

To review the amendments in detail, please see the Department of Finance [Backgrounder](#).

If you have questions or would like further information on this or on other related topics, please contact any member of the Spectrum HR Law LLP Pensions, Employment Benefits, and Executive Compensation practice group:

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