

Advisory

CIA Standards of Practice Section 3500 – Revised Commuted Values

Date: April 24, 2023

Distribution: Pension Plan Administrators, Plan Sponsors, and Actuaries

Advisory Number: 23-021

PURPOSE

The purpose of this Advisory is to inform stakeholders that BCFSA has issued a new [Regulatory Statement](#) revising the Superintendent of Pensions' ("Superintendent") position on the application of subsection 3570 of the Canadian Institute of Actuaries ("CIA") Standards of Practice ("SOP").

BACKGROUND

On September 30, 2015, target benefit legislation came into force in British Columbia specifically defining the method to calculate commuted values for pension plan members who may become entitled to receive benefits under a target benefit provision.

Subsequently, subsection 3570 of the CIA SOP came into effect on December 1, 2020, specifying the calculation method for plans that meet the definition of a target pension arrangement.

Over the past years, BCFSA received inquiries from plan administrators and feedback from industry concerning B.C.'s interpretation of subsection 3570 for B.C. members in multi-jurisdictional plans registered outside of B.C.

The primary purpose of the new Regulatory Statement is to clarify the Superintendent's position on commuted value calculations for individuals employed in B.C. who participate in a multi-jurisdictional pension plan registered outside of B.C.

Note that the new [Regulatory Statement 23-014: CIA Standards of Practice Section 3500 – Revised Commuted Values](#) replaces and supersedes the following Information Bulletins:

- **PENS 18-002:** Calculating Commuted Values for Multijurisdictional Formula Based Pension Plans; and
- **PENS 20-003:** CIA Standards of Practice Section 3500 - Revised Pension Commuted Values.

ADDITIONAL INFORMATION

If you have any questions, please contact us by email at pensions@bcfsa.ca.