



Manulife Advisor FAQ

Document is current as of April 7, 2020

Manulife has prepared answers to frequently asked questions from advisors/employers in light of the current health crisis. If you need advice, we suggest you contact your own legal counsel/advisor.

If my client is struggling financially, can they suspend contributions to their pension plan?

Currently there are no provisions under pension legislation that allows a plan sponsor to suspend contributions entirely if employees continue to be paid by the employer. Plan sponsors can amend their plans to reduce the contributions to the minimum 1% but cannot suspend all contributions. If reduction is not a possibility, the plan can be wound up (i.e. terminated). Given the current situation, it's possible regulators may be open to discuss potential options for relief on a case-by-case basis. Plan sponsors would need to deal directly the applicable pension regulator.

*It appears that the Canada Revenue Agency is working with Finance Canada to waive the 1% minimum employer contribution requirement.

If my client elects to reduce the contributions to their pension plan to the minimum 1% of employee's earnings, do we have to amend their plan and provide their members with notice?

Yes, the plan would require an amendment and notification to members is required. In some jurisdictions, notice must be provided at least 45 days prior to the effective date of the change.

The Manufacturers Life Insurance Company (Manulife)

Has there been an extension to the annual regulatory filings for pension plans, such as the Annual Information Return (AIR) and audited financial statements?

Province	Change
Ontario	FSRA has indicated that they would allow pension plan administrators and their authorized agents to request a filing extension of up to 60 days beyond the prescribed timeline under the Pensions Benefit Act (PBA). Plan administrators or their authorized agents who are registered on FSRA's Pension Services Portal (PSP) may submit filing extension requests of up to 60 days via the PSP. This extension must be requested, it is not automatic.
New Brunswick	Any annual filings required by all regulated sectors, except for Securities market, due before the end of April 2020 are extended by 30 days from their date of filing.
OSFI	The revised deadline for filing of the Annual Information Return (OSFI 49), including Schedule A (CRA AIR OSFI 49A) and the Certified Financial Statement (OSFI 60) filings has been extended to 9 months after plan year end. OSFI will issue an invoice for the annual assessment after the extended deadline.
Nova Scotia	Superintendent of Pensions has advised that the deadline for filing Annual Information Return (AIR) and/or Actuarial Valuation Report (AVR) due March 31, 2020 and/or April 30, 2020 is extended to May 31, 2020. This extension is automatic and plan administrators do not need to contact the regulator regarding this extension. However, a plan sponsor has concerns regarding another form of filing deadline under the <i>Nova Scotia Pension Benefits Act and Regulations</i> , they are advised to submit their inquiry/request to pensionreg@novascotia.ca . Requests will be reviewed on a case-by-case basis.
British Columbia	BCFSA is extending the due date for all plans currently required to file their Annual Information Return and FS between March 30, 2020 and December 29, 2020 by 60 days. Therefore, the Annual Information Return and FS for a plan with a fiscal year end date of December 31 will now be due on August 27, 2020.
Alberta	The deadline to file any annual information returns and associated annual fees, audited financial statements, and/or actuarial valuation reports and cost certificates that are due to be filed between March 31 and prior to July 1, 2020 is now extended by 180 days. Example: an annual information return for a plan year ending December 31, 2019, that was originally due to be filed June 28, 2020, will now be due December 29, 2020. Any filing extension approved prior to the issuance of this Update is similarly extended.
Newfoundland and Labrador	<p>The Newfoundland and Labrador Superintendent has advised that If reasonable grounds exist, the Superintendent is prepared to extend the filing deadlines for an AIR filing as follows:</p> <ul style="list-style-type: none"> • AIRs with a due date of March 31, 2020 (September 30, 2019 fiscal year end) may request a filing extension to no later than June 30, 2020 (i.e., 3 months); • AIRs with a due date of April 30, 2020 (October 31, 2019 fiscal year end) may request a filing extension to no later than June 30, 2020 (i.e., 2 months); • AIRs with a due date of May 31, 2020 (November 30, 2019 fiscal year end) may request a filing extension to no later than June 30, 2020 (i.e., 1 month); • AIRs with a due date of June 30, 2020 (December 31, 2019 fiscal year end) may request a filing extension to no later than July 31, 2020 (i.e., 1 month). <p>Plan sponsors are advised to send their requests (along with the provincial and CRA registration numbers) in writing to the Superintendent of Pensions, Michael Delaney, at MichaelPDelaney@gov.nl.ca.</p>

In all other jurisdictions, there is no change to the deadline for annual filings.

Has there been an extension to the period of time where my client has to remit contributions to Manulife?

No, all contributions must be remitted as usual in accordance with the plan terms and the legislation. Generally, contributions must be remitted within 30 days of being deducted from an employee's pay for employee contributions and for contributions the employer is required to make. Given the current situation, it's possible regulators may be open to discuss potential options for relief on a case-by-case basis. Plan sponsors would need to deal directly with the applicable pension regulator.

If my client's employee is on an emergency leave due to COVID 19, does my client have to continue contributions to the pension plan even though they are not paying the employee?

The requirement to continue to contributions for such leaves is addressed in the Employment Standards Act. Keep in mind that employment standards legislation provides the minimums that must be adhered to. Employers should be reviewing their internal policy regarding leaves, collective agreements, employment contracts etc. to determine if contributions are required for such periods. Summary to the right:

Province	Contributory Plan (i.e. plan where employee must make a contribution)	Non-Contributory Plan (i.e. plan where employer makes a contribution that is not dependent on an employee contribution)
British Columbia	Yes, if the employee continues to contribute	Yes
Alberta	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Saskatchewan	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Manitoba	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Ontario	Yes, if the employee continues to contribute	Yes
Quebec	Yes, if the employee continues to contribute	Yes
New Brunswick	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Prince Edward Island	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Nova Scotia	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Newfoundland and Labrador	No employer contributions are required even if the employee continues contributions	No employer contributions are required
Federal (i.e. where the employee is subject to the Canada Labour Code)	If an employee normally pays premiums for their benefits coverage, they are required to continue to pay them within a reasonable time throughout the leave (and the employer is only required to continue paying the employer share) or else the benefits (and employer contributions) may cease	Yes
Federal (i.e. NU, YK & NT)	No employer contributions are required even if the employee continues contributions	No employer contributions are required

My client sponsors a Group RRSP in which they also contribute. Can they temporarily stop contributions?

Contributions made by employees via payroll deduction and any contribution the employer decides to make is part of the employment contract and a part of the employees' overall compensation. Any changes to the terms of that contract would need to be decided between the employee and employer.

My client's Group RRSP rules applies a suspension of employer contributions where an employee makes a withdrawal from the plan, can they waive this rule temporarily?

The employer establishes the rules regarding suspension of contributions, therefore if the employer agrees, the rule can be waived.

My client's Group RRSP plan doesn't allow for withdrawals while employed, can they waive this rule temporarily?

The employer establishes the rules regarding withdrawals while employed, therefore if the employer agrees, the rule can be waived.

My client's DPSP plan rules provide that they must make a contribution if the employee contributes to the RRSP, can they stop contributions even if the employee continues to contribute to the RRSP?

No, company contributions must continue in accordance with the plan text. The employer can amend the DPSP to remove the required contribution.

My client has temporarily ceased some or all operations due to COVID-19 and will no longer be remitting contributions to their pension plan for impacted employees, should they terminate those laid off members from the plan?

As no pension contributions are due to be paid for impacted employees given the temporary closure of business and employees have been temporarily laid off, members do not need to be terminated from the plan at this point. Once the company reopens, pension contributions will resume. Any provinces that require expected contributions forms (e.g. ON Form 7) will need to submit updated forms.

My client's DPSP plan rules does not permit members to withdraw their DPSP assets while employed, can they waive this provision temporarily due to COVID 19?

Yes, as this is a provision that was instituted by the plan sponsor and included in the plan rules, it can be waived on a temporary basis without the need for the amendment to the plan. If the withdrawal restriction is removed permanently an amendment would be required.

My client has temporarily laid off employees, do they still have to make contributions to the pension plan?

If the sponsor is not paying the laid off employees, no contributions are due to be remitted to the pension plan. If the employee is on emergency leave, the sponsor may be required to make contributions for the period of leave.

(Please refer to question "If my client's employee is on an emergency leave due to COVID 19, does my client have to continue contributions to the pension plan even though they are not paying the employee?" for more information)

My client wants to continue contributions to the pension plan for the period of temporary layoff even though employees will not be paid earnings, is this possible?

Provided the plan text includes a provision to allow contributions to continue during periods of temporary layoff, contributions can continue. The sponsor would apply CRA's prescribed compensation rules for the purpose of continuing contributions. Contributions will typically be based on the member's earnings prior to the leave and would be made in a manner as described in the plan text.

My client is considering a temporary layoff but would like to top up the employee's EI payment to bring their earnings up to an amount the employee was receiving prior to being laid off. Should they be deducting pension contributions on the amounts they pay as the EI top up?

Note: As a result of the Federal announcements, regular EI benefits will be replaced with the new Canada Emergency Response Benefit (CERB) for those employees that have been laid off due to COVID 19.

If the employer pays the employee any top up earnings during the period of layoff, the RPP contributions would generally be based on those amounts being paid. However, employers should be aware that where an employee has been laid off due to COVID 19, the employee may qualify for the new Canada Emergency Response Benefit (CERB) as opposed to regular EI benefits. One of the conditions to qualify for the CERB is that the individual must receive no income for at least 14 consecutive days within the four-week period for which the CERB is claimed (regardless of whether they are EI-eligible or not). At this point, it appears that any income received by the employee could impact the employee's CERB unless the Federal Government introduces regulations that would allow individuals to receive top up benefits without eliminating or reducing the CERB.

My client sponsors a Defined Benefit pension plan, can we continue to offer portability transfers and annuity purchases to terminated plan members and beneficiaries?

Province	Change
OSFI	Effective March 27, 2020, OSFI has implemented a full freeze on portability transfers and annuity purchases relating to defined benefit provisions of pension plans. Transfers and annuity purchases are being prohibited at this time to protect the benefits of plan members and beneficiaries, given that current financial market conditions have negatively affected the funded status of pension plans. The payment of pensions to retirees and other beneficiaries is not impacted by the freeze on portability transfers and annuity purchases. OSFI will review this temporary measure in the coming months as they continue to monitor the impact of this crisis on defined benefit pension plans. During the temporary freeze period, administrators may request the Superintendent's consent to a transfer or annuity purchase based on plan-specific or special circumstances.

No changes in other jurisdictions.

My client will be bringing back all employees who have been recently temporarily laid off and will be paying them a 75 per cent emergency wage subsidy. Would this government subsidy be considered as DCPP pensionable earnings?

It is our understanding that the wage subsidy provided by the government is paid directly to the employer to offset a portion of their payroll costs. Given that the employee will be paid regular earnings from the employer, those earnings will be subject to pension plan contributions.

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