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FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

## The Determination of Whether a Plan is a "Closed Plan"

Revised to reflect the revised definition in Regulation 909 set out in [Reg. 105/19](#)

Note: Where this document conflicts with the Financial Services Regulatory Authority of Ontario Act, 2016 (FSRA Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or any regulation made under the PBA (Regulations), the FSRA Act, PBA or Regulations govern.

Under Ontario's new funding regime for pension plans that provide defined benefits, whether a plan is closed or not impacts the calculation of a provision for adverse deviations (PfAD) and thus the level of funding required by participating employers.

The definition of a "closed" plan was first introduced on May 1, 2018 under section 11.2(1) of Regulation 909 under the Pension Benefits Act (PBA). Effective May 21, 2019, this definition was amended by Regulation 105/19 as follows:

- "closed plan" means a pension plan:
- a. that has no members who are entitled to defined benefits; or
  - b. in which at least 25 per cent of the members of the plan who are entitled to defined benefits are in a class or classes of employees from which new members are not permitted, according to the terms of the plan, to join the plan and accrue defined benefits.

Determining if a plan is "closed", requires analysis of the particular facts of that plan. Ultimately, it is the plan administrator who is responsible for making that determination and directing the actuary in that regard. It is important to remember that whether a plan is "closed" or not must be re-determined at every valuation since it is possible that a plan's status may change due to a change of facts since the last valuation.

The Financial Services Regulatory Authority of Ontario (FRSA) does not expect pension plan administrators or their advisors to request FSRA's determination of whether a particular plan is a closed plan; administrators are expected to make and document such a determination, and to obtain any advice they may need to do so. If FSRA has reason to question a statement in an actuarial valuation report to the effect that a plan is not a closed plan, we may ask the signing actuary to provide facts and analysis that support the administrator's determination in this regard.

As a reminder, we note that:

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1. while FSRA does not generally indicate its position on whether a plan's status has or has not been correctly determined in the report filed, this does not mean that FSRA agrees with that determination; and
2. even if FSRA agrees with a determination made by an administrator, that does not mean that the Financial Services Tribunal or a court would necessarily take the same view.

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