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SECTION: Funding of Plans

INDEX NO.: F800-975

TITLE: No Provision to Amortize Negative Solvency Balance  
Regulation 909 s. 5(25)

APPROVED BY: Superintendent of Financial Services

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*Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.*

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at [www.fSCO.gov.on.ca](http://www.fSCO.gov.on.ca). All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link on the left side of each page.*

**I understand that in cases where solvency deficiencies are redetermined in accordance with the Regulation, it is possible that the redetermination report may reveal a negative initial solvency balance. Section 5(25) of the Regulation states that nothing in section 5 relieves any persons from making any payments required under the Regulation in respect of the negative initial solvency balance of a plan. Is there a time period for liquidating this negative balance?**

There is no provision under the Regulation which would permit a negative initial solvency balance to be amortized over a period of time. The administrator's written confirmation that any negative initial solvency balance identified in the redetermination report has been paid in full should be filed with the report.