

Advisory

PfAD Funding Requirement for Plans with Defined Benefit Provision

Date: April 11, 2023

Distribution: Pension Plan Administrators, Plan Sponsors, and Actuaries

Advisory Number: 23-019

PURPOSE

The purpose of this Advisory is to inform stakeholders that BCFSA has updated an Information Bulletin and a Regulatory Statement regarding valuation report filing for pension plans with defined benefit provisions.

BACKGROUND

The [Order in Council No. 505](#) came into effect on December 31, 2022, providing a clarification to the funding requirements of the provision for adverse deviation (“PfAD”) on normal actuarial cost when a plan with a defined benefit provision has accessible going concern excess.

Based on that, BCFSA made changes to the documents below:

- Information Bulletin PENS 20-001: Frequently Asked Questions pertaining to new defined benefit funding requirements effective December 31, 2019, is revised to [Regulatory Statement 23-012](#) of the same title. Question 4 was updated.
- Regulatory Statement 21-013: Valuation Filing Requirements, is revised to [Regulatory Statement 23-013](#) of the same title. Questions 1 and 4 were updated.

ADDITIONAL INFORMATION

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