Canada: Manitoba enacts Pension Benefits Act reforms

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Reforms to Manitoba's Pension Benefits Act and accompanying regulations (Bill 8 and Regulation 63/2021) with a proclamation date of 1 Oct 2021, modernize the law, create a framework that protects individuals in times of financial hardship, and provide greater and easier access to locked-in funds.

Highlights

Plan participation after normal retirement. Pension plans may permit an active member who has reached the plan's normal retirement age to stop contributing to the plan and accruing benefits. At actual retirement, for defined benefit pension plans, the member will be entitled to receive at least the actuarial equivalent value of the defined benefit pension that would have been paid if the member had retired at the normal retirement age.

Division of pension assets in event of relationship breakdown. Parties will be able to divide pension assets up to 50%, rather than choosing between the currently mandated 50-50 split or no division.

Unlocking funds

- Individuals who have reached age 65 will be allowed to fully unlock their Manitoba locked-in accounts held by a financial institution, subject to certain limitations.
- A one-time 50% unlocking of a person's pension funds after age 55 and prior to age 65 is still permitted; however, the Superintendent will no longer be required to approve such requests.
- Individuals undergoing prescribed hardship will be able to unlock all or part of their Manitoba locked-in accounts held by a financial institution, subject to certain limitations.

Other changes. The legislation also addresses the filling of a nonactive voting representative on a pension committee, allows for specified multiemployer plans, clarifies the application of specific provisions, and includes other housekeeping changes.

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Related resources

- News release (Government, 17 Aug 2021)
- Bill 8 (Government)
- Regulation 63/2021 (Government)

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