

# Ontario Finalizes Regulations For Target Benefit Plan Framework



On October 16, 2024, the Ontario government filed various regulations under the *Pension Benefits Act* to implement a permanent target benefit pension plan (Target Benefit Plan) framework.

Target Benefit Plans seek to offer members a monthly income stream in retirement at a predictable cost for employers. The Ontario government has been consulting on the Target Benefit Plan framework for several years, and the finalized regulations for the framework, which include both new regulations and amendments to existing regulations, will come into effect on January 1, 2025.

Key aspects of the new Target Benefit Plan framework include:

- A requirement that a Target Benefit Plan be a multi-employer plan that is not a jointly sponsored pension plan, as well as certain requirements for employers of plan members
- The creation of specific plan rules, including those related to funding, the provision for adverse deviation (PfAD), requirements for actuarial valuations, benefit reductions and surplus
- Requirements for plan funding and benefits, governance and communications policies
- Details relating to converting a multi-employer pension plan to a Target Benefit Plan

We will be discussing these regulations, among other topics including the finalized CAPSA Capital Accumulation Plan Guideline, pension plan surplus, buy-in and buy-out annuities and Quebec rules relating to privacy, at our upcoming Pensions, Benefits & Executive Compensation group seminar on November 19, 2024. To register, please visit our seminar page [here](#).

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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