

December 14, 2018

**RE: Amendment to Directive No. 11 – Termination of Membership Statement,  
effective December 5, 2018**

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On December 5, 2018, Bill 45 – An Act Respecting a Pension Plan for Teachers received royal assent. This bill included amendments to certain sections of the *Pension Benefits Act, 1997* (the Act). As a result of these amendments to the Act, on termination of membership in a pension plan, an individual may elect to transfer their commuted value to either the Public Service Pension Plan or Teachers' Pension Plan – both of which are not regulated under the Act.

Related to this change, paragraph (5.1) has been added under section 25 of the Act as follows: Where a member of a pension plan requests to transfer the commuted value of his or her pension benefit to the Public Service Pension Plan or the Teachers' Pension Plan, the administrator of the plan shall provide a written statement as required by the superintendent.

Effective December 5, 2018, a new section 3 has been added to Directive No. 11 under the Act which outlines the requirements of the superintendent. **The key changes to the Directive are as follows:**

- Where a member of a pension plan requests to transfer the commuted value of his or her pension benefit to the Public Service Pension Plan or the Teachers' Pension, the administrator must provide a written statement containing, at a minimum, the information prescribed; and
- Prior to processing the transfer, the administrator must receive written consent from the member and any principal beneficiary, if applicable.

A copy of the amended Directive can be found on the website for the Pension Benefit Standards Division: <http://www.servicenl.gov.nl.ca/pensions/index.html>.

This memo and a copy of the revised Directive were distributed by email on the date the website was updated. If you would like to be added to the distribution list for future updates, please email Jerry Dunphy, Pensions Compliance Office, at [jerrydunphy@gov.nl.ca](mailto:jerrydunphy@gov.nl.ca).

If you require further information, please contact Jerry Dunphy, Pensions Compliance Officer, at (709) 729-1039.