

LEGISLATIVE PROPOSALS RELATING TO POOLED REGISTERED PENSION  
PLANS

INCOME TAX ACT

**1. (1) Subparagraph 6(1)(a)(i) of the *Income Tax Act* is replaced by the following:**

(i) derived from the contributions of the taxpayer's employer to or under a deferred profit sharing plan, an employee life and health trust, a group sickness or accident insurance plan, a group term life insurance policy, a pooled registered pension plan, a private health services plan, a registered pension plan or a supplementary unemployment benefit plan,

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**2. (1) The portion of paragraph 18(11)(c) of the Act before subparagraph (i) is replaced by the following:**

(c) making a contribution to a deferred profit sharing plan, a pooled registered pension plan or a registered pension plan, other than

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**3. (1) Paragraph 20(1)(q) of the Act is replaced by the following:**

(q) such amount in respect of employer contributions to registered pension plans or pooled registered pension plans as is permitted under subsection 147.2(1) or 147.5(10);

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**4. (1) Subsection 56(1) of the Act is amended by striking out "and" at the end of paragraph (z.1), by adding "and" at the end of paragraph (z.2) and by adding the following after paragraph (z.2):**

(z.3) any amount required by section 147.5 to be included in computing the taxpayer's income for the year.

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**5. (1) Sub-subclause 60(l)(v)(B.1)(II)1 of the Act is replaced by the following:**

1. a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) received by the taxpayer out of or under a pooled registered pension plan, a registered pension plan or a specified pension plan,

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

Employer's  
contributions  
to RPP or  
PRPP

Pooled  
registered  
pension plan

**6. (1) The definition “eligible individual” in subsection 60.02(1) of the Act is replaced by the following:**

“eligible individual”  
« particulier admissible »

“eligible individual” means a child or grandchild of a deceased annuitant under a registered retirement savings plan or a registered retirement income fund, or of a deceased member of a pooled registered pension plan, a registered pension plan or a specified pension plan, who was financially dependent on the deceased for support, at the time of the deceased’s death, by reason of mental or physical infirmity.

**(2) Paragraph (c) of the definition “eligible proceeds” in subsection 60.02(1) of the Act is replaced by the following:**

(c) a payment (other than a payment that is part of a series of periodic payments or that relates to an actuarial surplus) out of or under a pooled registered pension plan, a registered pension plan or a specified pension plan.

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**7. (1) Paragraph 75(3)(a) of the Act is replaced by the following:**

(a) by a trust governed by a deferred profit sharing plan, an employee benefit plan, an employees profit sharing plan, a pooled registered pension plan, a registered disability savings plan, a registered education savings plan, a registered pension plan, a registered retirement income fund, a registered retirement savings plan, a registered supplementary unemployment benefit plan, a retirement compensation arrangement or a TFSA;

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**8. (1) Paragraph (a) of the definition “trust” in subsection 108(1) of the Act is replaced by the following:**

(a) an amateur athlete trust, an employee life and health trust, an employee trust, a trust described in paragraph 149(1)(o.4) or a trust governed by a deferred profit sharing plan, an employee benefit plan, an employees profit sharing plan, a foreign retirement arrangement, a pooled registered pension plan, a registered disability savings plan, a registered education savings plan, a registered pension plan, a registered retirement income fund, a registered retirement savings plan, a registered supplementary unemployment benefit plan or a TFSA,

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**9. (1) Subparagraph (a)(i) of the definition “pension income” in subsection 118(7) of the Act is replaced by the following:**

(i) a payment in respect of a life annuity out of or under a superannuation or pension plan (other than a pooled registered pension plan) or a specified pension plan,

**(2) Paragraph (a) of the definition “pension income” in subsection 118(7) of the Act is amended by adding the following before subparagraph (iv):**

(iii.2) included under section 147.5,

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**10. (1) The description of D in the definition “unused RRSP deduction room” in subsection 146(1) of the Act is replaced by the following:**

D is the total of all amounts each of which is

(i) an amount deducted by the taxpayer under subsection (5) or (5.1), in computing the taxpayer’s income for the year,

(ii) an amount deducted by the taxpayer under paragraph 10 of Article XVIII of the *Canada-United States Tax Convention* signed at Washington on September 26, 1980 or a similar provision in another tax treaty, in computing the taxpayer’s taxable income for the year, or

(iii) a contribution made by an employer in the year to a pooled registered pension plan in respect of the taxpayer, and

**(2) The portion of subsection 146(1.1) of the Act before the formula is replaced by the following:**

Restriction —  
financially  
dependent

(1.1) For the purposes of paragraph (b) of the definition “refund of premiums” in subsection (1), clause 60(l)(v)(B.01), the definition “eligible individual” in subsection 60.02(1), subparagraph 104(27)(e)(i) and section 147.5, it is assumed, unless the contrary is established, that an individual’s child or grandchild was not financially dependent on the individual for support immediately before the individual’s death if the income of the child or grandchild for the taxation year preceding the taxation year in which the individual died exceeded the amount determined by the formula

**(3) Paragraph 146(5)(b) of the Act is replaced by the following:**

(b) the amount, if any, by which the taxpayer’s RRSP deduction limit for the year exceeds the total of all contributions made by an employer in the year to a pooled registered pension plan in respect of the taxpayer.

**(4) Subparagraph 146(8.2)(b)(iii) of the Act is replaced by the following:**

(iii) was not paid by way of a transfer of an amount to a registered retirement savings plan from

(A) a pooled registered pension plan in circumstances to which subsection 147.5(20) applied, or

(B) a specified pension plan in circumstances to which subsection (21) applied,

**(5) Subsection 146(21.2) of the Act is replaced by the following:**

Specified  
pension plan  
— account

(21.2) For the purposes of paragraph (8.2)(b), subsection (8.21), paragraphs (16)(a) and (b) and 18(1)(u), subparagraph (a)(i) of the definition “excluded right or interest” in subsection 128.1(10), paragraph (b) of the definition “excluded premium” in subsection 146.01(1), paragraph (c) of the definition “excluded premium” in subsection 146.02(1),

subsections 146.3(14) and 147(19), section 147.3 and paragraph 147.5(20)(c), and for the purposes of any regulations made under subsection 147.1(18), an individual's account under a specified pension plan is deemed to be a registered retirement savings plan under which the individual is the annuitant.

**(6) Subsections (1) to (5) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**11. (1) Paragraph 146.3(2)(f) of the Act is amended by striking out “or” at the end of subparagraph (vi), by adding “or” at the end of subparagraph (vii) and by adding the following after subparagraph (vii):**

(viii) a pooled registered pension plan in accordance with subsection 147.5(20);

**(2) Subsection 146.3(14.1) of the Act is replaced by the following:**

Transfer to  
PRPP or RPP

(14.1) An amount is transferred from a registered retirement income fund of an annuitant in accordance with this subsection if the amount

(a) is transferred at the direction of the annuitant directly to an account of the annuitant under a pooled registered pension plan; or

(b) is transferred at the direction of the annuitant directly to a registered pension plan of which, at any time before the transfer, the annuitant was a member (within the meaning assigned by subsection 147.1(1)) or to a prescribed registered pension plan and is allocated to the annuitant under a money purchase provision (within the meaning assigned by subsection 147.1(1)) of the plan.

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**12. (1) The Act is amended by adding the following after section 147.4:**

*Pooled Registered Pension Plans*

Definitions

**147.5** (1) The following definitions apply in this section.

“administra-  
tor”  
« administra-  
teur »

“administrator”, of a pooled pension plan, means

(a) a corporation resident in Canada that is responsible for the administration of the plan and that is authorized under the *Pooled Registered Pension Plans Act* or a similar law of a province to act as an administrator for one or more pooled pension plans, or

(b) an entity designated in respect of the plan under section 21 of the *Pooled Registered Pension Plans Act* or any provision of a law of a province that is similar to that section.

“designated  
pooled pension  
plan”  
« régime de  
pension  
collectif  
désigné »

“designated pooled pension plan”, for a calendar year, means a pooled pension plan if at any time in the year (other than the year in which the plan became registered as a PRPP)

	<p>(a) the plan has fewer than 10 participating employers;</p> <p>(b) the fair market value of the property held in connection with the accounts of all members of the plan employed by a particular participating employer exceeds 50% of the fair market value of the property held in connection with the plan;</p> <p>(c) more than 50% of the members of the plan are employed by a particular participating employer; or</p> <p>(d) it is reasonable to conclude that the participation in the plan of one or more participating employers occurs primarily to avoid the application of any of paragraphs (a) to (c).</p>
“excluded investment” « placement exclu »	“excluded investment” means a debt of Her Majesty in right of Canada or a province or of a municipality in Canada.
“member” « participant »	“member”, of a pooled pension plan, means an individual (other than a trust) who holds an account under the plan.
“participating employer” « employeur participant »	“participating employer”, in relation to a pooled pension plan for a calendar year, means an employer that, in the year,
	<p>(a) makes contributions to the plan in respect of all or a class of its employees or former employees; or</p> <p>(b) remits to the administrator of the plan contributions made by members of the plan under a contract with the administrator in respect of all or a class of its employees.</p>
“pooled pension plan” « régime de pension collectif »	“pooled pension plan” means a plan that is registered under the <i>Pooled Registered Pension Plan Act</i> or a similar law of a province.
“pooled registered pension plan” or “PRPP” « régime de pension agréé collectif » ou « RPAC »	“pooled registered pension plan” or “PRPP” means a pooled pension plan that has been accepted for registration by the Minister for purposes of this Act, which registration has not been revoked.
“qualifying annuity” « rente admissible »	“qualifying annuity”, for an individual, means an annuity that
	<p>(a) is payable to</p> <p>(i) the individual for the individual’s life, or</p> <p>(ii) the individual for the lives, jointly, of the individual and the individual’s spouse or common-law partner and to the survivor of them for the survivor’s life;</p>

	<p>(b) is payable beginning no later than the later of the end of the calendar year in which the individual attains 71 years of age and the year in which the annuity is acquired;</p> <p>(c) unless the annuity is subsequently commuted into a single payment, is payable</p> <ul style="list-style-type: none"> <li>(i) at least annually, and</li> <li>(ii) in equal amounts or is not so payable solely because of an adjustment that would, if the annuity were an annuity under a retirement savings plan, be in accordance with any of subparagraphs 146(3)(b)(iii) to (v);</li> </ul> <p>(d) if the annuity includes a guaranteed period, requires that</p> <ul style="list-style-type: none"> <li>(i) the period not exceed 15 years, and</li> <li>(ii) in the event of the later of the death of the individual and that of the individual's spouse or common-law partner during the period, any remaining amounts otherwise payable be commuted into a single payment as soon as practicable after the later death; and</li> </ul> <p>(e) does not permit any premiums to be paid, other than the premium paid from the PRPP to acquire the annuity.</p>
<p>“qualifying survivor” « <i>survivant admissible</i> »</p>	<p>“qualifying survivor”, in relation to a member of a PRPP, means an individual who, immediately before the death of the member</p> <ul style="list-style-type: none"> <li>(a) was a spouse or common-law partner of the member, or</li> <li>(b) was a child or grandchild of the member who was financially dependent on the member for support.</li> </ul>
<p>“restricted investment” « <i>placement non admissible</i> »</p>	<p>“restricted investment”, for a pooled pension plan, means</p> <ul style="list-style-type: none"> <li>(a) a debt of a member of the plan;</li> <li>(b) a share of, an interest in, or a debt of <ul style="list-style-type: none"> <li>(i) a corporation, partnership or trust in which a member of the plan has a significant interest, or</li> <li>(ii) a person or partnership that does not deal at arm's length with the member of the plan or with a person or partnership described in subparagraph (i);</li> </ul> </li> <li>(c) an interest (or, for civil law, a right) in, or a right to acquire, a share, interest or debt described in paragraph (a) or (b); or</li> <li>(d) prescribed property.</li> </ul>
<p>“single amount” « <i>montant unique</i> »</p>	<p>“single amount” means an amount that is not part of a series of periodic payments.</p>

“successor member”  
« *participant* *remplacant* »

“successor member” means an individual who was the spouse or common-law partner of a member of a PRPP immediately before the death of the member and who acquires, as a consequence of the death, all of the member’s rights in respect of the member’s account under the PRPP.

Registration conditions

(2) The Minister may accept for registration a pooled pension plan for the purposes of this Act, but shall not accept for registration any plan unless application for registration is made in prescribed manner by the plan administrator and, in the Minister’s opinion, the plan complies with the following conditions:

(a) the primary purpose of the plan is to accept and invest contributions in order to provide retirement income to plan members, subject to the limits and other requirements under this Act;

(b) a single and separate account is maintained for each member

(i) to which are credited all contributions made to the plan in respect of the member, and any earnings of the plan allocated to the member, and

(ii) to which are charged all payments and distributions made in respect of the member;

(c) the only benefits provided under the plan in respect of each member are benefits determined solely with reference to, and provided by, the amount in the member’s account;

(d) all earnings of the plan are allocated to plan members on a reasonable basis and no less frequently than annually;

(e) all property held in connection with the plan is held in trust by the administrator for the members of the plan;

(f) no right of a person under the plan is capable of being assigned, charged, anticipated, given as security or surrendered, other than

(i) an assignment pursuant to a decree, order or judgment of a competent tribunal, or a under a written agreement, relating to a division of property between the member and the member’s spouse or common-law partner or former spouse or common-law partner, in settlement of rights arising out of, or on a breakdown of, their marriage or common-law partnership, or

(ii) an assignment by the legal representative of a deceased individual on the distribution of the individual’s estate;

(g) the plan requires that all amounts contributed or allocated to a member’s account vest immediately and indefeasibly for the benefit of the member;

(h) the plan permits the payment of an amount to a member where the amount is paid to reduce the amount of tax that would otherwise be payable under Part X.1 by the member;

(i) any amount payable from an account of a member after the death of the member is paid as soon as practicable after the death;

(j) there is no reason to expect that the plan may become a revocable plan; and

(k) any prescribed conditions.

Conditions  
applicable to  
PRPPs

- (3) A pooled registered pension plan becomes a revocable plan at any time that
- (a) a contribution is made to the plan other than an amount
    - (i) paid by a member of the plan,
    - (ii) paid by an employer or former employer of a member of the plan in respect of the member, or
    - (iii) transferred to the plan in accordance with any of subsections (20), 146(16), 146.3(14.1), 147(19) and 147.3(1), (4) and (5) to (7);
  - (b) a contribution is made to the plan in respect of a member after the calendar year in which the member attains 71 years of age, other than an amount described in subparagraph (a)(iii);
  - (c) a participating employer makes contributions to the plan in a calendar year in respect of a member of the plan in excess of the RRSP dollar limit for the year, except in accordance with a direction by the member;
  - (d) a distribution is made from the plan other than
    - (i) a payment of benefits in accordance with subsection (5), or
    - (ii) a return of contributions made to avoid the revocation of the registration of the plan, to reduce the amount of tax that would otherwise be payable under Part X.1 by a member or to comply with any requirement under this Act;
  - (e) property is held in connection with the plan that
    - (i) the administrator knew or ought to have known was a restricted investment for the plan, or
    - (ii) in the case of a designated pooled pension plan, is a share or debt of, or an interest in, a participating employer of the plan or any person or partnership that does not deal at arm's length with a participating employer, or an interest (or, for civil law, a right) in, or a right to acquire, such a share, debt or interest;
  - (f) the administrator has not taken reasonable precautions to avoid holding, in connection with the plan, properties (other than excluded investments) that are shares or debts of, or interests in a non-arm's length group (or interests — or, for civil law, rights — in, or rights to acquire, such shares, debts or interests), the total fair market value of which properties is 10% or more of the total fair market value of all property held in connection with the plan, and, for this purpose, a non-arm's length group is a particular person or partnership together with any other person or partnership that does not deal at arm's length or is affiliated with the particular person or partnership;
  - (g) the administrator borrows money or other property for the purposes of the plan; or
  - (h) the plan or the administrator does not comply with a prescribed condition.

Non-payment of minimum amount	(4) A PRPP becomes a revocable plan at the beginning of a calendar year if the total amount distributed from a member's account under the PRPP in the calendar year is less than the amount that would be the minimum amount for the calendar year under subsection 8506(5) of the <i>Income Tax Regulations</i> if the member's account were an account under a money purchase provision of a registered pension plan.
Permissible benefits	(5) The following benefits may be provided under a pooled pension plan:  (a) the payment of benefits (in this section referred to as "variable benefits") to a member that would be in accordance with paragraph 8506(1)(e.1) of the <i>Income Tax Regulations</i> if the benefits were provided under a money purchase provision of a registered pension plan; and  (b) the payment of a single amount from the member's account.
Additional conditions	(6) The Minister may, at any time, impose reasonable conditions, in writing, applicable with respect to PRPPs, a class of PRPPs or a particular PRPP.
Acceptance of amendments	(7) The Minister shall not accept an amendment to a PRPP unless  (a) application for the acceptance is made in prescribed manner by the administrator of the PRPP; and  (b) the amendment and the PRPP as amended comply with the registration conditions specified in subsection (2).
Trust not taxable	(8) No tax is payable under this Part by a trust governed by a PRPP on its taxable income for a taxation year, except that, if at any time in the year, it carries on a business, tax is payable under this Part by the trust on the amount that would be its taxable income for the year if it had no income or losses from sources other than the business, and for this purpose,  (a) all capital gains and capital losses from the disposition of property held in connection with the business are deemed to be income or losses, as the case may be, from the business; and  (b) the trust's income is to be computed without reference to subsections 104(6), (19) and (21).
Obligations of administrator	(9) The administrator of a PRPP shall exercise the care, diligence and skill of a reasonably prudent trustee to minimize the possibility that the registration of the PRPP may be revoked other than at the request of the administrator.
Employer contributions deductible	(10) There may be deducted in computing a taxpayer's income for a taxation year, the total of all amounts each of which is a contribution made by the taxpayer in the year or within 120 days after the end of the year to a PRPP in respect of the taxpayer's employees or former employees to the extent that the contribution  (a) was made in accordance with the PRPP as registered and in respect of periods before the end of the year; and  (b) was not deducted in computing the taxpayer's income for a preceding taxation year.

Member contributions	(11) For the purposes of paragraphs 60( <i>j</i> ), ( <i>j.1</i> ) and ( <i>l</i> ), section 146 (other than subsections (8.3) to (8.7)), paragraphs 146.01(3)( <i>a</i> ) and 146.02(3)( <i>a</i> ) and Parts X.1 and X.5, a contribution made by a member of a PRPP is deemed to be a premium paid by the member to an RRSP under which the member is the annuitant.
Member's account	(12) For the purposes of paragraph 18(1)( <i>u</i> ), subparagraph ( <i>a</i> )( <i>i</i> ) of the definition "excluded right or interest" in subsection 128.1(10), paragraph 146(8.2)( <i>b</i> ), subsection 146(8.21), paragraphs 146(16)( <i>a</i> ) and ( <i>b</i> ), subparagraph 146(21)( <i>a</i> )( <i>i</i> ), paragraph ( <i>b</i> ) of the definition "excluded premium" in subsection 146.01(1), paragraph ( <i>c</i> ) of the definition "excluded premium" in subsection 146.02(1), subsections 146.3(14) and 147(19) and section 147.3, and of regulations made under 147.1(18), a member's account under a PRPP is deemed to be a registered retirement savings plan under which the member is the annuitant.
Taxable amounts	(13) There shall be included in computing the income of a member of a PRPP for a taxation year the total of all amounts each of which is a distribution made in the year from the member's account under the PRPP, other than an amount described in subsection (21) or distributed after the death of the member.
Treatment on death — no successor member	(14) If a member of a PRPP dies and there is no successor member in respect of the deceased member's account under the PRPP, an amount, equal to the amount by which the fair market value of all property held in connection with the account immediately before the death exceeds the total of all amounts distributed from the account that are described in subsection (16), is deemed to have been distributed from the account immediately before the death.
Treatment on death — successor member	(15) If a member of a PRPP dies and there is a successor member in respect of the deceased member's account under the PRPP,  ( <i>a</i> ) the account ceases to be an account of the deceased member at the time of the death;  ( <i>b</i> ) the successor member is, after the time of the death, deemed to hold the account as a member of the PRPP; and  ( <i>c</i> ) the successor member is deemed to be a separate member in respect of any other account under the PRPP that the successor member holds.
Qualifying survivor	(16) If, as a consequence of the death of a member of a PRPP, an amount is distributed in a taxation year from the member's account under the PRPP to, or on behalf of, a qualifying survivor, the amount shall be included in computing the survivor's income for the year, except to the extent that it is an amount described in subsection (21).
Post-death increase in value	(17) There shall be included in computing the income for a taxation year of a taxpayer who is not a qualifying survivor in relation to a member of a PRPP, the total of all amounts each of which is an amount determined by the formula
	$A - B$
	where

<p>Post-death decrease in value</p>	<p>A is the amount of a distribution made in the year from the member's account under the PRPP as a consequence of the member's death to, or on behalf of, the taxpayer, and</p> <p>B is an amount designated by the administrator of the PRPP not exceeding the lesser of</p> <ul style="list-style-type: none"> <li>(a) the amount of the distribution, and</li> <li>(b) the amount by which the fair market value of all property held in connection with the account immediately before the death exceeds the total of all amounts each of which is the value of B in respect of any other distribution made from the account.</li> </ul> <p>(18) There may be deducted in computing the income of a member of a PRPP for the taxation year in which the member dies, an amount not exceeding the amount determined, after all amounts payable from the member's account under the PRPP have been distributed, by the formula</p>
	<p style="text-align: center;">A - B</p> <p>where</p> <p>A is the total of all amounts each of which is an amount in respect of the account</p> <ul style="list-style-type: none"> <li>(a) included in the member's income under subsection (13) because of the application of subsection (14),</li> <li>(b) included in the income of another taxpayer under subsection (16) or (17), or</li> <li>(c) transferred in accordance with subsection (20) in circumstances described in subparagraph (20)(b)(iii); and</li> </ul> <p>B is the total of all distributions made from the account after the member's death.</p>
<p>Subsection (18) not applicable</p>	<p>(19) Except where the Minister has waived in writing the application of this subsection with respect to all or any portion of the amount determined in subsection (18) in respect of a member's account under a PRPP, that subsection does not apply if the last distribution from the account was made after the end of the calendar year following the year in which the member died.</p>
<p>Transfer of amounts</p>	<p>(20) An amount is transferred from a member's account under a PRPP in accordance with this subsection if the amount</p> <ul style="list-style-type: none"> <li>(a) is a single amount;</li> <li>(b) is transferred on behalf of an individual who <ul style="list-style-type: none"> <li>(i) is the member,</li> <li>(ii) is a spouse or common-law partner or former spouse or common-law partner of the member and who is entitled to the amount under a decree, order or judgment of a competent tribunal, or under a written agreement, relating to a division of property between the member and the individual, in settlement of rights arising out of, or on a breakdown of, their marriage or common-law partnership, or</li> <li>(iii) is entitled to the amount as a consequence of the death of the member and immediately before the death,</li> </ul> </li> </ul>

	<p>(A) was a spouse or common-law partner of the member, or</p> <p>(B) was a child or grandchild of the member who was financially dependent on the member for support because of mental or physical infirmity; and</p> <p>(c) is transferred directly to</p> <p>(i) the individual's account under the PRPP,</p> <p>(ii) another PRPP in respect of the individual,</p> <p>(iii) a registered pension plan for the benefit of the individual,</p> <p>(iv) a registered retirement savings plan or registered retirement income fund under which the individual is the annuitant, or</p> <p>(v) a licensed annuities provider to acquire a qualifying annuity for the individual.</p>
Taxation of transfers	<p>(21) If subsection (20) applies to an amount transferred from a member's account under a PRPP on behalf of an individual,</p> <p>(a) the amount shall not, by reason only of that transfer, be included in computing the income of the individual; and</p> <p>(b) no deduction may be made under any provision of this Act in respect of the amount in computing the income of any taxpayer.</p>
Taxation of qualifying annuity	<p>(22) If an amount is transferred in accordance with subsection (20) to acquire a qualifying annuity, there shall be included — under this section and not under any other provision of this Act — in computing an individual's income for a taxation year any amount received by the individual during the year out of or under the annuity or as proceeds from a disposition in respect of the annuity.</p>
Notice of intent	<p>(23) The Minister may give notice (in subsections (24) and (25) referred to as a “notice of intent”) to an administrator of a PRPP in writing that the Minister intends to revoke the registration of the plan as a PRPP if</p> <p>(a) the plan does not comply with the conditions for registration in subsection (2);</p> <p>(b) the plan is not administered in accordance with the terms of the plan as registered;</p> <p>(c) the plan becomes a revocable plan;</p> <p>(d) a condition imposed under subsection (6) that applies with respect to the plan is not complied with; or</p> <p>(e) registration of the plan under the <i>Pooled Registered Pension Plans Act</i> or a similar law of a province is refused or revoked.</p>
Date of revocation	<p>(24) The notice of intent shall specify the date on which revocation of a PRPP is to be effective, which date shall not be earlier than the earliest date on which one of the events described in subsection (23) occurs.</p>
Notice of revocation	<p>(25) At any time after 30 days after the day of mailing of the notice of intent to an administrator of a PRPP, the Minister may give notice (in this subsection and in subsection (26) referred to as a “notice of revocation”) in writing to the administrator that the registration</p>

	of the PRPP is revoked as of the date specified in the notice of revocation, which date may not be earlier than the date specified in the notice of intent.
Revocation of registration	(26) If the Minister gives a notice of revocation to the administrator of a PRPP, the registration of the PRPP is revoked as of the date specified in the notice of revocation, unless the Federal Court of Appeal or a judge of that Court, on application made at any time before the determination of an appeal pursuant to subsection 172(3), orders otherwise.
Voluntary revocation	(27) If the administrator of a PRPP so requests in writing, the Minister may give notice in writing to the administrator that the registration of the PRPP is revoked as of a specified date, which date may not be earlier than the date specified in the administrator's request.
Single employer	(28) For the purposes of the definition "designated pooled pension plan" in subsection (1), all employers that are related to each other are deemed to be a single employer and all the structural units of a trade union, including each local, branch, national and international unit, are deemed to be a single employer.
Significant interest	(29) For the purposes of the definition "restricted investment" in subsection (1), a member of a pooled pension plan has a significant interest in a corporation, trust or partnership at any time if, at that time, <ul style="list-style-type: none"> <li>(a) in the case of a corporation, the member is a specified shareholder of the corporation; and</li> <li>(b) in the case of a partnership or trust, <ul style="list-style-type: none"> <li>(i) the member is a specified unitholder of the partnership or the trust, as the case may be, or</li> <li>(ii) the total fair market value of the member's interests in the partnership or the trust, as the case may be, together with all interests in the partnership or the trust held by persons or partnerships with whom the member does not deal at arm's length or is affiliated, is 10% or more of the fair market value of all interests in the partnership or the trust.</li> </ul> </li> </ul>
Regulations — other	(30) The Governor in Council may make regulations <ul style="list-style-type: none"> <li>(a) prescribing conditions applicable to administrators;</li> <li>(b) requiring administrators to file information returns respecting pooled pension plans;</li> <li>(c) enabling the Minister to require any person to provide the Minister with information for the purposes and provisions of this Act relating to PRPPs; and</li> <li>(d) generally to carry out the purposes and provisions of this Act relating to PRPPs.</li> </ul> <p><b>(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the <i>Pooled Registered Pension Plans Act</i>.</b></p> <p><b>13. (1) Subsection 149(1) of the Act is amended by adding the following after paragraph (u.2):</b></p>

PRPP

(u.3) a trust governed by a pooled registered pension plan to the extent provided under section 147.5;

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**14. (1) Paragraph 152(6)(f.3) of the Act is replaced by following:**

(f.3) a deduction (including for the purposes of this subsection a reduction of an amount otherwise required to be included in computing a taxpayer's income) under subsection 146(8.9) or (8.92), 146.3(6.2) or (6.3) or 147.5(14) or (18),

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**15. (1) Subsection 172(3) of the Act is amended by striking out "or" at the end paragraph (f.1) and by adding the following after paragraph (g):**

(h) refuses to accept for registration for the purposes of this Act any pooled pension plan or gives notice under subsection 147.5(22) to the administrator of a pooled registered pension plan that the Minister proposes to revoke its registration, or

(i) refuses to accept an amendment to a pooled registered pension plan,

**(2) The portion of subsection 172(3) of the Act, as amended by subsection (1), after paragraph (i) is replaced by the following:**

the person described in paragraph (a), (a.1) or (a.2), the applicant in a case described in paragraph (b), (e) or (g), a trustee under the plan or an employer of employees who are beneficiaries under the plan, in a case described in paragraph (c), the promoter in a case described in paragraph (e.1), the administrator of the plan or an employer who participates in the plan, in a case described in paragraph (f) or (f.1), or the administrator of the plan in a case described in paragraph (h) or (i), may appeal from the Minister's decision, or from the giving of the notice by the Minister, to the Federal Court of Appeal.

**(3) Paragraphs 172(5)(a) and (b) of the Act are replaced by the following:**

(a) to register for the purposes of this Act any pension plan or pooled pension plan, or

(b) to accept an amendment to a registered pension plan or a pooled registered pension plan

**(4) Subsections (1) to (3) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**16. (1) Subsection 180(1) of the Act is amended by striking out "or" at the end paragraph (c.1) and by replacing paragraph (d) with the following:**

(c.2) the mailing of notice to the administrator of the pooled registered pension plan under subsection 147.5(23), or

(d) the time the decision of the Minister to refuse the application for acceptance of the amendment to the registered pension plan or pooled registered pension plan was mailed, or otherwise communicated in writing, by the Minister to any person,

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**17. (1) The description of D in paragraph 204.2(1.1)(b) of the Act is replaced by the following:**

D is the group plan amount in respect of the individual at that time,

**(2) Subparagraph (a)(iii) of the description of I in subsection 204.2(1.2) of the Act is replaced by the following:**

(iii) an amount transferred to the plan on behalf of the individual in accordance with any of subsections 146(16), 147(19), 147.3(1) and (4) to (7) and 147.5(20) or in circumstances to which subsection 146(21) applies,

**(3) The description of I in subsection 204.2(1.2) of the Act is amended by striking out “or” at the end of paragraph (a), by replacing “and” at the end of paragraph (b) with “or” and by adding the following after paragraph (b):**

(c) an amount contributed in the year and before that time by an employer or former employer of the individual to an account of the individual under a pooled registered pension plan, and

**(4) Paragraph (a) of the description of J in subsection 204.2(1.2) of the Act is replaced by following:**

(a) the total of all amounts each of which is an amount (other than the portion thereof that reduces the amount on which tax is payable by the individual under subsection 204.1(1)) received by the individual in the year and before that time out of or under a pooled registered pension plan, a registered retirement savings plan or a registered retirement income fund and included in computing the individual’s income for the year

**(5) The portion of subsection 204.2(1.3) of the Act before paragraph (a) is replaced by the following:**

(1.3) For the purposes of this section, the group plan amount in respect of an individual at any time in a taxation year is the lesser of

**(6) Subparagraph (i) of the description F in paragraph 204.2(1.3)(a) of the Act is replaced by the following:**

(i) the total of all amounts each of which is a qualifying group plan amount in respect of the individual, to the extent that the amount is included in determining the value of I in subsection (1.2) in respect of the individual at that time, and

**(7) Subparagraph (ii) of the description K in paragraph 204.2(1.3)(a) of the Act is replaced by the following:**

(ii) in any other case, the group plan amount in respect of the individual at the end of the preceding taxation year, and

**(8) Subsection 204.2(1.31) of the Act is replaced by the following:**

Group plan  
amount

Qualifying  
group plan  
amount

(1.31) For the purposes of the description of F in paragraph (1.3)(a), a qualifying group plan amount in respect of an individual is a premium paid under a registered retirement savings plan or an amount contributed by an employer or former employer of the individual to an account of the individual under a pooled registered pension plan if

- (a) the plan is part of a qualifying arrangement or is a pooled registered pension plan,
- (b) the premium or contribution is an amount to which the individual is entitled for services rendered by the individual (whether or not as an employee), and
- (c) the premium or contribution was remitted to the plan on behalf of the individual by the person or body of persons that is required to remunerate the individual for the services, or by an agent for that person or body,

but does not include the part, if any, of a premium or contribution that, by making (or failing to make) an election or exercising (or failing to exercise) any other right under the plan after beginning to participate in the plan and within 12 months before the time the premium was paid or the contribution was made, the individual could have prevented the premium or contribution and that would not as a consequence have been required to be remitted on behalf of the individual to another registered retirement savings plan or pooled registered pension plan or to a money purchase provision of a registered pension plan.

**(9) Section 204.2 of the Act is amended by adding the following after subsection (4):**

PRPP  
withdrawals

(5) Notwithstanding the *Pooled Registered Pension Plans Act* or any similar law of a province, a member of a PRPP may withdraw an amount from the member's account under the PRPP to reduce the amount of tax that would otherwise be payable by the member under this Part, to the extent that the reduction cannot be achieved by withdrawals from plans other than PRPPs.

**(10) Subsections (1) to (9) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**18. (1) Paragraph 212(1)(h) of the Act is amended by adding the following before subparagraph (iii):**

- (ii) an amount distributed from a pooled registered pension plan that has been designated by the administrator of the plan in accordance with subsection 147.5(17),

**(2) The portion of subparagraph 212(1)(h)(iii.1) of the Act before clause (B) is replaced by the following:**

- (iii.1) the portion of the payment that is transferred by the payer on behalf of the non-resident person, pursuant to an authorization in prescribed form, to a pooled registered pension plan, registered pension plan, registered retirement savings plan or registered retirement income fund and that

(A) because of any of subsections 146(21), 147.3(9) and 147.5(21) would not, if the non-resident person had been resident in Canada throughout the taxation year in which the payment was made, be included in computing the non-resident person's income, or

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**19. (1) Subparagraph 241(4)(d)(vii) of the Act is replaced by the following:**

(vii) to an official solely for the purposes of the administration or enforcement of the *Pension Benefits Standards Act, 1985*, the *Pooled Registered Pension Plans Act* or a similar law of a province,

**(2) Paragraph (b) of the definition “official” in subsection 241(10) of the Act is replaced by the following:**

(b) an authority engaged in administering a law of a province similar to the *Pension Benefits Standards Act, 1985* or the *Pooled Registered Pension Plans Act*,

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**20. (1) The definition “registered pension plan” in subsection 248(1) of the Act is replaced by the following:**

“registered pension plan”  
« régime de pension agréé »

“registered pension plan” means a pension plan (other than a pooled pension plan) that has been registered by the Minister for the purposes of this Act, which registration has not been revoked;

**(2) The definition “retirement compensation arrangement” in subsection 248(1) of the Act is amended by adding the following after paragraph (a):**

(a.1) a pooled registered pension plan,

**(3) The definition “salary deferral arrangement” in subsection 248(1) of the Act is amended by adding the following after paragraph (a):**

(a.1) a pooled registered pension plan,

**(4) The portion of the definition “superannuation or pension benefit” in subsection 248(1) of the Act before paragraph (a) is replaced by the following:**

“superannuation or pension benefit”  
« prestation de retraite ou de pension »

“superannuation or pension benefit” includes any amount received out of or under a superannuation or pension fund or plan (including, except for the purposes of subparagraph 56(1)(a)(i), a pooled registered pension plan) and, without restricting the generality of the foregoing, includes any payment made to a beneficiary under the fund or plan or to an employer or former employer of the beneficiary thereunder

**(5) Subsection 248(1) of the Act is amended by adding the following in alphabetical order:**

“pooled registered pension plan” or “PRPP”  
« régime de pension agréé collectif » ou « RPAC »

“pooled registered pension plan” or “PRPP” has the meaning assigned by subsection 147.5(1);

“specified unitholder”  
« détenteur d’unité déterminé »

“specified unitholder”, of a partnership or trust (referred to in this definition as the “entity”), the interests in which are described by reference to units, means a taxpayer who would be a specified shareholder of the entity if the entity were a corporation and each unit of the entity were a share of a class of the corporation having the same attributes as the unit;

**(6) Subsections (1) to (5) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**21. (1) Section 253.1 of the Act is replaced by the following:**

Investments in limited partnerships

**253.1** For the purposes of subparagraph 108(2)(b)(ii), paragraphs 130.1(6)(b), 131(8)(b), 132(6)(b) and 146.1(2.1)(c), subsection 146.2(6), paragraph 146.4(5)(b), subsection 147.5(8), paragraph 149(1)(o.2), the definition “private holding corporation” in subsection 191(1) and regulations made for the purposes of paragraphs 149(1)(o.3) and (o.4), if a trust or corporation holds an interest as a member of a partnership and, by operation of any law governing the arrangement in respect of the partnership, the liability of the member as a member of the partnership is limited, the member shall not, solely because of its acquisition and holding of that interest, be considered to carry on any business or other activity of the partnership.

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**22. (1) The definition “specified taxpayer” in subsection 259(5) of the Act is replaced by the following:**

“specified taxpayer”  
« contribuable déterminé »

“specified taxpayer” means a taxpayer that is a registered investment or that is described in any of paragraphs 149(1)(r), (s), (u) to (u.3) and (x).

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

#### INCOME TAX REGULATIONS

**23. (1) Paragraph (b) of the definition “remuneration” in subsection 100(1) of the *Income Tax Regulations* is replaced by the following:**

(b) a superannuation or pension benefit (including an annuity payment made pursuant to or under a superannuation or pension fund or plan) other than a distribution

(i) that is made from a pooled registered pension plan and is not required to be included in computing a taxpayer’s income under paragraph 56(1)(z.3) of the Act, or

(ii) that is deemed to have been made under subsection 147.5(14) of the Act,

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**24. (1) The Regulations are amended by adding the following after section 212:**

## POOLED REGISTERED PENSION PLANS

**213.** An administrator of a PRPP must file with the Minister an information return for each calendar year in prescribed form in respect of the PRPP on or before May 1 of the following calendar year.

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**25. (1) Subsection 4802(1) of the Regulations is amended by adding the following after paragraph (c.2):**

(c.3) a pooled registered pension plan;

**(2) Paragraph 4802(1.1)(e) of the Regulations is replaced by the following:**

(e) each of the beneficiaries of the trust was a trust governed by a deferred profit sharing plan, a pooled registered pension plan or a registered pension plan.

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**

**26. (1) Subparagraph 8502(b)(iv) of the Regulations is replaced by the following:**

(i) is transferred to the plan in accordance with any of subsections 146(16), 146.3(14.1), 147(19), 147.3(1) to (8) and 147.5(20) of the Act, or

**(2) Subsection (1) comes into force or is deemed to have come into force on the day of the coming into force of the *Pooled Registered Pension Plans Act*.**