

## Office of the Superintendent - Pension Commission

### Update #1 Vesting and Locking-in

*Revised January 2002*

**Reference:** *The Pension Benefits Act, Section 21*

Effective January 1, 1990 Manitoba's vesting and locking-in provisions under the Pension Benefits Act have changed to 2 years of service rather than the previous 5 years of service.

Section 21(2)(a) of the Act is amended by striking out reference to "five years" wherever it appears in this section and inserting instead "two years".

If a terminating plan member has 2 years of service as of January 1, 1990, they will be fully vested and locked-in for all benefits accrued from January 1, 1985.

The new provision will also affect Section 21(11) reducing the number of years of service to apply the 50% rule and Section 21(26) which will require that death benefits be payable to a member's spouse or common-law partner after 2 years of service rather than 5 years of service.

Section 21(1)(a) & (b) regarding 10 year vesting and locking-in after 10 years of service and age 45 is still in effect for plan members who have accrued benefits for service from July 1, 1976 to December 31, 1984.

Full portability of all locked-in benefits is applicable for all individuals who terminate service.

All plans containing Manitoba plan members must have the appropriate amendment submitted to their respective jurisdiction authority no later than December 31, 1990. In the interim, the plan must be administered in accordance with the 2 year vesting provisions.

*This update has no legal authority. The Pension Benefits Act of Manitoba and The Pension Benefits Regulation, 188/87 R amended should be used to determine specific requirements.*