Administrator’s Guide

A guide to assist plan administrators and their service providers in the management of defined contribution plans registered pursuant to *The Pension Benefits Act, 1992.*

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Financial and Consumer Affairs Authority

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Table of Contents

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Introduction

This guide is intended to provide pension plan administrative staff with recommendations that will assist in avoiding common administrative deficiencies that have been noted by staff of Financial and Consumer Affairs Authority (FCAA).

FCAA is responsible for administering *The Pension Benefits Act, 1992* (the Act) and *The Pension Benefits Regulations, 1993* (the Regulations). To establish a pension plan in Saskatchewan, an employer must submit certain documents to the FCAA. If the submission complies with the Act, the superintendent of pension will register the pension plan. FCAA monitors registered pension plans to ensure that the plan and its administration complies with the Act. In undertaking this responsibility, FCAA staff perform desk reviews of pension plan files and conduct on-site administrative pension examinations. Common deficiencies have been identified through these undertakings. This guide focuses on the following areas:

- Enrollment of Eligible Employees
- Contribution Deduction and Remittance Practices
- Communications
- Written Statement of Investment Policies and Procedures
- Joint Annual Information Return
- Governance Policies and Procedures

The plan text of each and every pension plan must identify the entity that is the "Administrator" of the pension plan. In general, the Act requires the Administrator to be either the employer or a board of trustees. The Administrator is legally responsible for the pension plan and must manage the pension plan in accordance with the pension plan documents, the Act, and Regulations.

We note that, while all Administrators may find the guidance found herein of assistance, this guide focuses on the administration of small to mid-sized defined contribution pension plans (DC Plan) where the assets of the pension plan are held by a life insurance company or under a trust arrangement. For the purposes of this guide, the term Fund Holder applies to both a life insurance company and a trust arrangement.

This guide does not focus on the benefits available under a pooled registered pension plan[1] ("PRPP").

For the purposes of this guide, "you" means the Administrator or the employee of the

[1] A PRPP is subject to the provisions of *The Pooled Registered Pension Plans (Saskatchewan) Act* (SK PRPP Act).

Administrator that has been delegated to perform the administrative functions required to manage the plan. “We” means FCAA and the superintendent of pensions.

This guide has no legal authority and should not be construed as legal advice. Prior to making any decisions respecting your pension plan, you should seek the assistance of your legal and financial professionals.

Regulatory Environment

All pension plans operate within a regulatory framework. There are many laws that must be considered and complied with – pension, income tax, and family property, to name a few.

This guide focuses on DC Plans that contract a Fund Holder to hold the pension plan assets, and, often, to assist in the establishment and ongoing operation of the plan. While the Fund Holder may have established policies and procedures to assist in ensuring that you comply with all of the applicable laws, it is ultimately your responsibility to make sure that you comply. Further, there are tasks that the Fund Holder simply cannot do for you (i.e. remit pension plan contributions, enroll employees, and maintain pension plan governance and administrative policies and procedures).

Resources are available to help you comply with the regulatory framework. Two sources of information to start with are:

- FCAA, Pensions Division: We are here to help you. Please visit our website, www.fcaa.gov.sk.ca, and feel free to call our office, 306-787-7650.

- Canadian Association of Pension Supervisory Authorities (CAPSA): CAPSA is an association of pension regulators whose membership includes nine provinces and the federal government. CAPSA's mission is to promote an efficient and effective pension regulatory system in Canada. It strives to be a leader in the development and harmonization of pension policy and the setting of pension standards. Please see the listing of relevant CAPSA documents found at the end of this guide. For more information visit CAPSA's website at www.capsa-acor.org.

- Canada Revenue Agency (CRA): Pension plans registered under the Act must also be registered under the *Income Tax Act.* CRA publishes extensive guidance to assist Administrators in ensuring that their pension plan complies with the *Income Tax Act*. For more information visit CRA's website at: http://www.cra-arc.gc.ca/tx/rgstrd/rpp-rpa/menu-eng.html

Pension Plan Basics

This guide is intended to identify common deficiencies found during FCAA's examinations and to provide you with suggestions as how to ensure compliance with the Act and Regulations, as it applies to the common deficiencies. This section will provide you with an introduction to pension plans.

Types of Pension Plans

Defined Contribution Pension Plans: This guide is intended to assist with the administration of a defined contribution pension plan (DC Plan). In a DC Plan, a specified amount of money is contributed by the employer for each member. Sometimes only the employer contributes to a DC Plan; in other cases, both the members and the employer make contributions to the DC Plan. This money is placed into accounts set up for each member. At retirement, these contribution accounts - plus interest - are used to purchase a pension. Members will not know the amount of pension that they will receive until they retire.

The traditional form of pension at retirement is called a life annuity. Typically with a life annuity, the member's pension money is paid to a life insurance company that in turn guarantees the payment of a fixed monthly amount for the member's lifetime. Alternatively, the following may be available to a member:

- A prescribed registered retirement income fund (pRRIF) may be offered by a financial institution. In general, with a pRRIF, the member's pension money is transferred to a financial institution to be held in a pRRIF contract owned by the member (the contract owner). The contract owner is responsible for managing the investments of the pRRIF, and for determining how much to take out of the pRRIF each month.

- A variable benefit (VB) may be offered by a DC Plan. Typically, only very large DC plans offer a VB. The pension monies remain in the DC Plan and are invested in a VB account. While the money is in the VB, the member remains responsible for managing the investments of the VB account, and for determining how much to take out of the VB account each month.

Pension Plan Basics

Types of Pension Plans

Defined Benefit Pension Plans: There are also plans that provide a member with a specified amount of pension benefit on retirement. These arrangements are called defined benefit pension plans (DB Plans). Generally, the pension benefit provided by a DB Plan depends on factors like years of service and earnings and is described in the pension plan documents provided to the member. A member of this type of plan is advised annually of the amount of pension benefit earned or "accrued" up to that point.

For example: John's DB Plan will provide him with an annual pension benefit that is based on 2% of his final average earnings (FAE). His FAE was $50,000 and he worked for the employer offering that DB Plan for 35 years. His annual pension benefit is $35,000 (2% X $50,000 X 35).

Vesting and Locking-in of Pension Benefits

Vesting

Vesting means that the member is unconditionally entitled to receive the pension that has been earned, whether that benefit is payable now or sometime in the future.

Saskatchewan legislation specifies the maximum period of time that a member must work before becoming vested. The Act provides that pension benefits are vested when the member has completed two years of continuous employment. It is acceptable for plans to allow a member to vest earlier.

A member is also vested, regardless of the amount of continuous employment, upon reaching the plan's normal retirement date, death or on the termination of the plan.

A member who leaves a pension plan before becoming vested forfeits the right to any contributions made by the employer. An unvested member would be entitled to a refund of member contributions (if any), plus interest.

Locking-in

In general, once pension benefits vest they are also locked-in and must be used to provide a retirement income. There are a few exceptions to the locking-in rule. For information of the exceptions, please see the see the FCAA bulletin called Unlocking Pension Money.

Transfer Options

Pension money that is vested and locked-in under a DC Plan may be transferred on termination of membership or retirement. Transfer options typically include (depends on the plan documents and the requirements of the Act and Regulations):

- another pension plan;
- a pooled registered pension plan, if the PRPP permits;
- a locked-in retirement account (LIRA);
- a pRRIF (if the member is of retirement age); or
- to a life insurance company to purchase a deferred or immediate life annuity.

In addition, it may also be possible for the member to leave the pension monies within the DC Plan to elect a transfer option at a later date and/or receive a VB from the DC Plan, where available.

Retirement Age

Most DC Plans provide a retirement age of age 55; however, some have an earlier retirement age (i.e. age 50). A member may choose to postpone taking his or her pension monies until age 71, at which time the monies must be used to provide a retirement income.

Spousal Rights

According to the Act, the member has a spouse if:

- the member is legally married; or
- if not legally married, is living common-law[2] with another person.

A spouse has certain entitlements under the Act. These include:

- a survivor's benefit if the member dies; and
- a division of pension benefits pursuant to a spousal relationship breakdown.

[2] Living common-law means to be living in a conjugal relationship for a period of at least 12 months.

The Administrator

Typically, the Administrator is the employer responsible for sponsoring the DC Plan (the employer). While these two roles may be satisfied by the same entity, the role of the Administrator is very different than the role of the employer.

The employer is responsible for establishing the pension plan, determining the design of the pension plan, amending the pension plan, and, terminating the pension plan. When making decisions about plan design, the employer would likely consider the impact of those decisions on the operation of the business.

The Administrator is responsible for managing the DC Plan in accordance with the plan documents, the Act, and Regulations. The Administrator:

- stands in a fiduciary[3] relationship to all plan participants;
- holds the pension monies in trust for plan participants;
- must act in good faith and in the best interests of all plan participants; and
- must not prefer the interest of any plan participant over the interest of another plan participant.

While the Administrator may contract a third-party to perform the day-to-day functions of the DC Plan, the fiduciary and legal roles of the Administrator cannot be delegated to a third party. The assets of a DC Plan are held by a Fund Holder. While the Fund Holder may perform some of the day-to-day functions of a DC Plan, the Fund Holder is not the Administrator of the Plan.

The Administrator must manage the plan in accordance with the relevant laws and the plan's provisions.

[3] A fiduciary relationship exists when a plan administrator and/or any delegates can exercise discretionary power to affect members' or beneficiaries' interests.

Administrator Responsibilities

You are responsible for several matters under the Act and Regulations. As mentioned, the Fund Holder may be able to assist you with your responsibilities; however, you are ultimately responsible to make sure you comply with the Act and Regulations.

This guide does not include all of your responsibilities under the Act and Regulations. Rather, it focuses on ways to avoid common deficiencies.

The common deficiencies relate to:

- enrollment of eligible employees;
- contributions and remittances;
- communications;
- written statement of investment policies and procedures;
- filing Joint Annual Information Returns; and
- governance policies and procedures.

Our recommendations often require that you develop written policies and procedures. The Fund Holder will not perform this task for you. You are responsible for establishing your own written policies and procedures.

Getting Started

Many of the recommendations found in this guide involve the development of policies and procedures. To prepare to implement the recommendations, you may wish to start with the following:

1. Create and maintain a pension plan policy and procedure binder.

   In that binder, you will keep the various policies and procedures that are recommended in the following pages; and the other policies and procedures that you have adopted.

2. Create and maintain a pension plan file.

   In that file, you will keep the following documents, as they relate to the pension plan:

   - the pension plan text, and any revision to the plan text;
   - any documents that create the pension plan;
   - any trust deed or agreement, insurance contract, by-law or resolution;
   - any investment agreement;
   - the written statement of investment policies and procedures, and any revision to that document;
   - any other document that relates to pension plan administration;
   - the plan member booklet, and any revision to the booklet;
   - the Certificate of Registration and our registration letter;
   - copies of joint annual information returns, as filed with FCAA, for each plan year;
   - the pension fund's financial statements; and
   - copies of all amendments (i.e. to the plan text, to the life insurance contract, etc.) and our registration letters for each of those amendments.

Now, we will cover the common deficiencies and recommendations to assist with compliance.

Enrollment of Eligible Employees

You are responsible for enrolling eligible employees. The plan text will set out who is eligible to become a member of the DC Plan, and when that person is eligible.

As a minimum standard, what does the Act require?

- Full-time employees are eligible after 24 months of continuous service.
- Less than full-time employees are eligible after 24 months of continuous service provided the employee meets at least one of the following requirements:
  - 700 hours of work for the employer, or
  - Earnings of at least 35% of the year's maximum pensionable earnings,

  In each of the two consecutive calendar years before joining the plan. Note: A plan may have one or both of the requirements; if the plan has both then the member is eligible upon reaching the earlier rule.
- A plan can require that employees participate or can make it optional for employees to participate

The Act has rules for full-time employees and employees who are not full-time. The Act does not distinguish between descriptive words such as casual, temporary, permanent, and so on. A common deficiency is that employees who the employer considers to be "casual" or "temporary" are not enrolled in the plan. Unless the plan text states otherwise, the applicable eligibility rule mentioned above apply to all employees working less than full-time hours.

The Regulations set out acceptable classes of membership that a pension plan can identify. It is acceptable for different enrollment rules to exist for the different classes of membership.

Eligible employees must receive a member booklet within 30 days of their eligibility date. If employees are eligible to become members on their date of hire, then they must receive a member booklet on their date of hire.

You are required to give the eligible employee the enrollment paperwork. Typically, the Fund Holder will have documents that they would expect you to use to enroll an employee.

Enrollment of Eligible Employees

Recommendations:

- Document your enrollment policies and procedures.
- Give eligible employees a member booklet within 30 days of their eligibility date, or on their date of hire if earlier.
- Give eligible employees the required paperwork to join the plan.
- Document your record retention policy and procedures. You should maintain complete employee records, including enrollment documentation.

If FCAA performs an examination of your administrative practices, we will review your enrollment policies, procedures, and practices. In addition, we will look at your record retention policies and procedures, and review employee files with respect to pension enrollment practices.

Key Point: Ultimately, you are responsible for ensuring that all eligible employees are enrolled in the DC Plan in accordance with the plan documents, and the Act and Regulations.

Contributions Deductions and Remittances

You are responsible for ensuring that all contributions required under the pension plan are paid directly from the employer to the Fund Holder.

As a minimum standard, what does the Act require?

- Pension deductions must be used only for pension contributions.
- Pension contributions (employee, if any, and employer) must be sent directly to the Fund Holder on a monthly basis.

The plan text tells you the amount of pension contributions that are to be deducted from an employee's paycheque and the amount of pension contributions required to be made by the employer. The employer must send those contributions directly to the Fund Holder on a monthly basis.

A common deficiency is that monies are not sent directly from the employer to the Fund Holder within the required time period. Remember that this guide focuses on those DC Plans where the employer is also the Administrator. With this dual responsibility, you must remember to send contributions directly to the Fund Holder within 30 days from the last day of the month in which they were collected.

It is not acceptable to use pension contributions for operational purposes. Pension contributions must be sent to the Fund Holder on a monthly basis and must not be used to get the business through a tough period. It is not acceptable to use monies for operational purposes and then catch up on the outstanding contributions at a later date.

Some pension plans have several participating employers. Depending on the agreements in place, those participating employers may send pension contributions to the Administrator who in turn sends the monies to the Fund Holder. In order for this arrangement to be acceptable, proper trust documentation must be in place and filed with FCAA. In these situations, the Administrator continues to be required to ensure that all pension contributions are paid to the Fund Holder within the required time period. Controls must be established to ensure compliance.

Contribution Deductions and Remittances

Recommendations:

- Document the contribution deduction and remittance procedures.
- Send contribution remittances monthly to the Fund Holder.
- Do not use contribution deductions or employer contributions for operational purposes.

If FCAA performs an examination of your administrative practices, we will review your payroll records, contribution deduction and remittance records, contribution deduction and remittance policies, procedures, and practices.

Key Point: You must ensure that all contributions are sent within the 30 day window to the Fund Holder for deposit to the individual member accounts.

Communications

You are responsible for communicating with members in accordance with the plan documents, and the Act and Regulations.

As a minimum standard, what does the Act require?

- You must send an annual statement of the member's account to the member.
- You must provide option packages to persons on termination of membership, retirement, and death.
- You must provide information to persons on spousal relationship breakdown.
- You must allow certain persons to review plan documents (details below).

The Fund Holder likely communicates with members on your behalf. It probably issues annual statements and option packages on termination, retirement, and death. It is reasonable to expect that the Fund Holder would make efforts to ensure that those communications comply with the requirements of the Act and Regulations. However, you are solely responsible for ensuring that the member receives those communications and that those communications comply with the Act and Regulations. Due diligence is required on your part.

In addition to the above communications, you are responsible for allowing certain persons[4] the opportunity to review the following documents:

- all plan provisions, including all plan amendments;
- all trust agreements, insurance contracts, resolutions, and bylaws relating to the plan;
- all pension fund investment agreements;
- the three most recently filed joint annual information returns;
- the written statement of investment policies and procedures; and
- the two most recent pension fund financial statements.

[4] Certain persons include any person entitled to a benefit pursuant to the plan, or the agent of such a person.

Communications

Recommendations:

- Document your communication policies and procedures.
- Review the communications provided by the Fund Holder.
- Maintain a pension plan file that contains all of the documents which certain persons may request to review.

If FCAA performs an examination of your administrative practices, we will look at your communication practices, policies, and procedures. We will review statements and option packages from the last several years. We will review your pension plan file to ensure that it contains all of the required documents.

Key Point: You must ensure that the appropriate people receive the appropriate communications at the appropriate times.

Written Statement of Investment Policies and Procedures

If the plan does not allow members to make investment choices, the plan must have a written statement of investment policies and procedures (SIP&P).

As a minimum standard, what does the Act require?

- You must have a written statement of investment policies and procedures, except if your pension plan allows members to make their own investment choices.
- You must review the SIP&P at least annually.

The Fund Holder may be able to assist in the development of the SIP&P; however you are responsible for adopting a SIP&P that meets the goals and obligations of the DC Plan.

Federal pension legislation applies to the investments, including the rules respecting the SIP&P, of your pension plan. You may find this resource helpful in the development of your plan's SIP&P - http://www.osfi-bsif.gc.ca/Eng/Docs/penivst.pdf.

Recommendations:

- If the plan does not allow members to make their own investment choices:
    - document the plan's investment policies and procedures within a SIP&P;
    - adopt the SIP&P via resolution; and
    - review that SIP&P annually.
- Review the plan's performance annually (at least).

If FCAA performs an examination of your administrative practices, we will review the plan's SIP&P, the resolution where you have adopted and reviewed the SIP&P, the frequency of your review of the SIP&P and we will ensure that you have reviewed the plan's investment performance, including the plan's financial statements.

Key Point: If the plan does not allow members to make investment choices, you must adopt and maintain a SIP&P. You should review the plan's performance and financial statements annually.

Capital Accumulation Plans – Member Investment Choice

CAPSA developed a guideline called Guidelines for Capital Accumulation Plans (CAP Guidelines). According to the CAP Guidelines, a capital accumulation plan (CAP) is a tax assisted investment or savings plan that permits the members of the CAP to make investment decisions among two or more options offered within the plan. If your plan allows members to make investment choices, then your plan is a CAP.

The CAP Guidelines establish industry best practices under the following headings:

- setting up a CAP;
- investment information and decision-making tools for CAP members;
- introducing a CAP to CAP members;
- ongoing communication to CAP members;
- maintaining a CAP; and
- termination of a CAP.

As a minimum standard, what does the Act require?

- You must act in good faith and in the best interests of members, former members and other persons entitled to benefits under you plan.
- Well documented CAP-related practices, policies, and procedures will assist you in proving that you have complied with the requirements of the Act and industry best practices.

Recommendations:

- If the plan is a CAP, ensure compliance with the CAP Guidelines.

If FCAA performs an examination of your administrative practices, we will review the plan's policies and procedures as they apply to CAP-related matters.

Key Point: If the plan allows members to make investment choices, you should comply with the CAP Guidelines.

Joint Annual Information Return

You are required to file a return with FCAA, on an annual basis, which reports certain details of the pension plan over the last year. This return is called the joint annual information return (AIR). The filed AIR provides information that we submit to the Canada Revenue Agency (CRA) and Statistics Canada.

As a minimum standard, what does the Act require?

- You must complete and file the AIR.
- The AIR is due within 180 days from the plan's year end (or within 60 days from the termination date of a plan).
- The Administrator is the only party who may sign the AIR.
- You must include a fee with that filing.

CRA may assess a late filing penalty (up to $2,500) for a late filing.

Common deficiencies relating to the AIR include:

- The Administrator must complete and sign the AIR (no other party can sign the AIR). From time to time a service provider (i.e. consultant, accountant, lawyer) completes and signs the AIR on behalf of the Administrator. This practice does not comply with the Act.
- The fee must be filed ***with*** the AIR.
- The membership information must be complete and accurate. From time to time, information regarding pensioners and deferred members (i.e. typically, these are previous employees who left their pension monies in the DC Plan) is incomplete. All fields reported in the AIR must be complete and accurate.
- The information related to all participating employers must be reflected in the AIR.

Joint Annual Information Return

Recommendations:

- Document your joint annual information return filing procedures.
- Work with the Fund Holder to ensure that you have all of the information that you require in order to accurately complete the AIR.
- File the AIR and filing fee, together and on time, with FCAA.

If FCAA performs an examination of your administrative practices, we will review your filed AIRs and compare those filings against the records of the Fund Holder holding the pension monies. We will also review your AIR practices, policies, and procedures.

> Key Point: You must report complete and accurate information to FCAA on an annual basis using the AIR.

Governance Policies and Procedures

In order to perform the many functions of pension plan administration, you must have solid governance policies and procedures. The pension industry and pension supervisory authorities have produced a vast library of pension plan administrative best practice guidelines. For the purposes of this guide, we focus on the CAPSA Guideline No. 4 – Pension Plan Governance Guideline (the Governance Guidelines).

As a minimum standard, what does the Act require?

- You must administer the plan in accordance with the plan documents, and the Act and Regulations.
- You are a fiduciary, must act in good faith, and must not favour the interests of one party over the interests of another.
- Well documented governance practices, policies, and procedures will assist you in proving that you have complied with the requirements of the Act.

The Governance Guidelines state that pension plan governance refers to the structure and processes for overseeing, managing and administering a pension plan to ensure that fiduciary and other obligations of the pension plan are met. FCAA believes that good pension plan governance is essential if plan members are to both receive the benefits and values they are entitled to, and to understanding their rights and responsibilities under the pension plan.

Your pension plan policies and procedures should be reviewed and updated on a regular basis to account for changes in industry practice and law, and should be readily accessible by employees and delegates.

Based on our past observations and our interpretation of the Governance Guidelines, some of the topics that FCAA believes should be covered by your governance policy and procedure manual include, but are not limited to:

- *Governance Policy* – You should document governance objectives for the oversight, management, and administration of the pension plan. These objectives should build on the employer's objectives for the pension plan, as well as on the plan terms and regulatory requirements. This policy may also document the operational matters related to pension plan governance (i.e. meeting frequency, quorum, etc.).

Governance Policies and Procedures

- *Roles and Responsibilities Policy* – You should document the roles, responsibilities, and accountability of all participants in the pension plan governance process. You should record the organizational chart related to the governance of the pension plan (i.e. employer, Administrator, Fund Holder, service providers, and administrative staff). You should document the roles and responsibilities that you have delegated.

- *Service Provider Acquisition and Review Policy* – You should document the criteria for the selection and review of service providers and the triggering events for a review of the service provider. If your roles and responsibilities policy doesn't already do so, you should document the roles and responsibilities of all service providers.

- *Member Communications Policy* – You should establish a governance-focused communication policy. The policy should provide for the disclosure of governance-related information to members and other beneficiaries. At a minimum, this should include the information that is required by the Act. Communication should be appropriate, timely, accurate, complete, consistent, cost-effective, and accessible to promote confidence in the administrative and governance process.

- *Record Retention Policy* – You should document the types of documents to be retained, how long various types of documents should be retained, the manner in which record maintenance will be reviewed and audited, and who can access the documents. You should consider the record retention policies of service providers, as well.

- *Conflict of Interest / Code of Conduct* – You should provide for the establishment of a code of conduct and conflict of interest policy. This should be established for both yourself and your delegates.

- *Conflict Resolution Policy* – You should document how members and plan beneficiaries can express concerns and have those concerns addressed quickly.

- *Business Continuity Plan* – You should document a plan that covers the key functions of the business and allows the decision makers to mitigate, respond to, and recover from a range of potential disasters or disruptions which could impact the ability to provide services to plan participants.

- *Knowledge and Skills* – You should document the types and level of knowledge and skills that the Administrator ought to possess, the manner in which required knowledge and skills will be acquired, and the type of and location of information required to administer the plan.

Governance Policies and Procedures

- *Risk Management Policy* – You should document the manner in which plan risks will be addressed through an internal control framework, the frequency of review and monitoring of that framework, and the delegations made under that framework. Appropriate mechanisms should be established for the oversight of compliance with the legislative requirements and plan documents, policies and procedures.

- *Administration Procedures* – You should document the procedures relating to the enrollment of members (i.e. paperwork required, tracking conducted, etc.), deducting and remitting contributions, reporting information in the AIR, and benefit processing of members (i.e. making the request, receiving the documents, communicating with member, etc.).

Recommendations:

- Document and maintain governance policies and procedures.
- Complete the CAPSA Governance Self-Assessment Questionnaire annually.
- Review and further your knowledge of CAPSA guidelines:
  - Pension Plan Governance Guidelines and Self-Assessment Questionnaire
  - Guidelines for Capital Accumulation Plans
  - Guideline on Fund Holder Arrangements
  - Defined Contribution Pension Plan Guideline
  - Pension Plan Prudent Investment Practices Guideline

If FCAA performs an examination of your administrative practices, we will review your governance practices, policies, and procedures. In addition, we will review board meeting documents, including, but not limited to, minutes, agendas, presentations, and reports.

Key Point: You should develop and maintain detailed governance policies and procedures.

Additional Resources

FCAA (www.fcaa.gov.sk.ca) has produced information regarding the following subjects which you may find helpful.

Pension plan administration:

- Registering a Pension Plan
- Investment of Pension Plan Assets
- Successor Employer Situations
- Termination of a Pension Plan

Plan member administration:

- Plan Member Guide
- Jurisdiction of Membership
- Termination of Membership
- Unlocking Pension Money
- Retirement
- Phased Retirement
- Spousal Relationship Breakdown
- Maintenance Enforcement

In addition, CAPSA (https://www.capsa-acor.org/) has produced information regarding the following subjects:

- Defined Contribution Pension Plans (includes CAPSA Guideline No. 8 – Defined Contribution Plans Guideline)
- Prudence Standard (including CAPSA Guideline No. 7 - Pension Plan Funding Policy Guideline; and, CAPSA Guideline No. 6 Pension Plan Prudent Investment Practices Guideline)
- Fund Holder Arrangements (includes CAPSA Guideline No. 5 - Guideline on Fund Holder Arrangement)
- Pension Plan Governance (includes CAPSA Guideline No. 4 – Pension Plan Governance and Self-Assessment Questionnaire)
- Capital Accumulation Plans (includes CAPSA Guideline No. 3 – Guidelines for Capital Accumulation Plans)
- Electronic Communication (includes CAPSA Guideline No. 2 - Electronic Communication in the Pension Industry)

Contact Us

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Appendix A: Compliance Checklist

This appendix provides a summary of the recommendations found in this guide, as well as additional compliance checkpoints.

Description
Adopt and maintain pension plan policies and procedures that reflect the plan documents and comply with the Act and Regulations. These may include, but are not limited to:
1. Enrollment of eligible employees (includes a clear policy for determining full-time and less than full-time)
2. Processing Benefits (on termination of membership, death, retirement, spousal relationship breakdown, plan termination)
3. Communications with persons (on termination of membership, death, retirement, spousal relationship breakdown, plan termination, request to review documents, plan amendments); includes policies and procedures specific to CAP Plans, if applicable
4. Contribution deduction and remittance
5. Investments; includes policies and procedures specific to CAP Plans, if applicable
6. Completing and filing the AIR
7. Record retention policy; include any policies respecting third party record retention
Adopt and maintain pension plan governance policies and procedures that reflect the plan documents and comply with the Act and Regulations. These may include, but are not limited to:
1. Governance policy
2. Service provider acquisition and review
3. Roles and responsibilities
4. Delegation of duties
5. Conflict of interest and code of conduct
6. Conflict resolution
7. Knowledge and skills
8. Risk management
9. Business continuity plan
Establish and maintain a pension plan file that contains all documents related to the pension plan. This file should contain, but is not limited to these contents:
1. All documents related to the establishment and administration of the pension plan (plan text, contracts, agreements, amendments resolutions, etc.)
2. All documents related to the establishment and administration of the pension fund (contracts, statements, etc.)
3. All regulatory documents (certificates, letters, returns, etc.)