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ARTICLE

Be Prepared For A Targeted Review

Ontario's pension regulator is launching a targeted review of member option statements in March 2018. Pension plans should be prepared for this review, as a finding of non-compliance could result in adverse consequences.

Pension plan administrators must provide option statements to all pension plan members when they terminate employment or retire from the pension plan. Ontario's pension benefits standards legislation prescribes the information to be included in those statements, deadlines of when such statements need to be provided, and the timeframe for payment of the pension benefits.

Ontario's pension regulator, the Financial Services Commission of Ontario ("FSCO"), has announced that its focus will be on whether plan administrators are meeting legislated requirements for statement content and prescribed timelines, and calculating communicated values in accordance with pension plan provisions.

We expect that plans selected by FSCO will receive a letter from FSCO asking for information related to member option statements. Those that are targeted by the review will have 30 days to respond to that letter. We also expect that FSCO will ask for copies of related correspondence. Personal member information should be appropriately dealt with.

Regardless of whether your organization is selected to be part of the review, the member option statements need to comply with legislative requirements. We recommend that pension plans proactively look at meeting requirements rather than waiting to be selected. Employers of single-employer pension plans that have delegated or outsourced plan administration functions to a third-party provider need to keep in mind that the employer is ultimately responsible under pension benefits standards legislation to comply with legislation. A check-in with the third-party service provider, or an independent review from outside counsel, may be appropriate depending on the circumstances.

BLG's [Pensions and Benefits Group](#) would be pleased to assist your organization with a proactive review of member option statements, responding to any requests from FSCO, and any other matters relating to your organization's pension and non-pension benefit plans.


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