
BULLETIN NUMBER: PENS-08-001

TITLE: Fee Changes to British Columbia Registered Pension Plans

LEGISLATION: *Pension Benefits Standards Act*

DATE: June 2008

PURPOSE:

This bulletin provides information relating to fee changes for British Columbia registered pension plans.

Overview:

The Superintendent of Pensions (“the Superintendent”) is responsible for regulating pension plans under the *Pension Benefits Standards Act* (“the Act”). Regulation of plans involves a number of administrative activities including: registration of plans, approval of amendments, monitoring of plan contributions and funding and various supervision and enforcement activities.

The Superintendent is expected to fund all regulatory activities through fees drawn from pension plans registered in British Columbia.

The Act has been amended to ensure that the regulatory program for pensions is adequately funded. The changes are necessary to deal with increasing program costs due to factors like inflation and increasing plan complexity. They will also provide some one time funding for program modernization. This is the only time fees under the Act have been changed since it was introduced in 1993.

With the fee changes British Columbia will continue to have the lowest fees among major pension regulators in Canada.

The Fee Changes:

The changes to the annual filing fees for pension plans are:

- Decreasing the fee charged for active pension plan members from \$7 to \$6.15;
- Introducing a new fee of \$4.50 for non-active (e.g. retired) members; and,
- Increasing the maximum amount payable per plan from \$20,000 to \$75,000.

Effective Date:

The changes become effective July 1, 2008.

Calculation of Fees

To assist you in calculating the appropriate fees to be remitted we wish to describe how active and inactive members are determined.

Active Members

An active member is a current member who is either accruing benefits under the plan or on whose behalf contributions are being made to the plan. Active members include disabled members who are being credited with pensionable service under the plan.

Inactive Members

An Inactive Member is an individual who is either:

- A former member, whether vested or not, who is no longer accruing benefits under a defined benefit pension plan or on whose behalf contributions are being made to a defined contribution pension plan and who retains a right to receive a benefit, including a return of the member's own contributions, from the plan, or
- A retiree or the surviving spouse or beneficiary of a retiree who is receiving a pension from the plan.

Filing of Returns

All administrators are required to include the prescribed fees with their Annual Information Return ("AIR"). AIRs are due to be filed within 180 days of the end of the plan fiscal year.

Since the new fees are effective July 1, 2008, any plan that is required to file its AIR on or after July 1 will be required to pay fees in accordance with the changes described above. Fees remitted to FICOM will be reviewed for compliance with these changes. Any fees submitted that are not calculated in accordance with the changes described above will be returned to the plan administrator with a description of the fees owing and a request for remittance of the proper fees.

Further Information:

For further information on the changes please contact:

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