

Interpretive Guideline #15

Disclosure to Members and Those Entitled to Benefits Under a Pension Plan

Issued: June 2016

This guideline is designed to outline and explain the disclosure requirements for plan administrators as required by the provisions of the [Employment Pension Plans Act](#) (Act) and the [Employment Pension Plans Regulation](#) (Regulation). This guideline summarizes the legislative requirements that apply to the subject matter, and includes (as applicable) additional details to outline the Superintendent of Pensions (the Superintendent) expectations and requirements where such authority has been provided by the Act and Regulation. Finally, the guideline outlines best practices and policies that the Superintendent expects from provincially regulated pension plans.

The Act and Regulation should be used to determine specific legislative requirements. Any legal authority of this Guideline rests in the areas in which the legislation delegates authority to the Superintendent to accept a proposal or action.

Purpose of Disclosure Pension legislation requires disclosure to plan members with respect to the requirements of their pension plan, entitlements and responsibilities under the plan.

The purpose of disclosure under a pension plan is to provide plan members with an understanding of what the pension promise is, if applicable, what they have accrued under the plan in terms of benefits or assets and what their responsibilities as members are in order to ensure that members make informed decisions and take actions when required to do so.

Types of Disclosure Section 37 of the Act requires the plan administrator to disclose information to members. Sections 30 through 46 of the Regulation state what must be provided; when it must be provided; and to whom it must be provided. The following chart outlines those requirements.

What	When	To Whom
Plan Summary Regulation Section 30	New plan Collectively Bargained Multi-Employer Plan (CBMEP) <ul style="list-style-type: none"> ○ With the first annual statement All other plans <ul style="list-style-type: none"> ○ Within 120 days after the plan is established 	Persons becoming members of the pension plan at the time the plan is established Persons becoming members of the pension plan after it has been established

	<p>Existing and ongoing plans</p> <p>CBMEP</p> <ul style="list-style-type: none"> ○ With the first annual statement <p>All other plans</p> <ul style="list-style-type: none"> ○ within 30 days prior to the person becoming eligible to join the plan ○ if membership is mandatory on becoming an employee, on first day of employment or if possible within 30 days prior to employment, and ○ if plan has an auto-enrollment provision, within 30 days of the provision of the notice required by section 29(2)(b)(i) of the Act 	<p>Persons becoming members of the pension plan after it has been established</p> <p>Persons becoming members of the pension plan after it has been established</p>
<p>Annual Statement Active Members</p> <p>Regulation Section 31</p>	<p>Within 180 days after the plan fiscal year end</p>	<p>All active members</p> <p>Note: active members include suspended members and those on leave of absence</p>
<p>Annual Statement to Those Receiving a Pension from the Plan</p> <p>Regulation Section 32</p>	<p>Within 180 days after the plan fiscal year end</p>	<p>All persons receiving pension payments from the pension plan</p> <p>Note: this includes surviving pension partners</p>

<p>Transfer Statement Related to Life Income Type Benefit (LITB) Account</p> <p>Regulation Section 33</p>	<p>Within 30 days after the transfer is made</p>	<p>The LITB member who has elected to transfer funds from the pension plan</p>
<p>Termination of Active Membership</p> <p>Regulation Section 34</p>	<p>CBMEP – within 90 days after the member’s termination of membership</p> <p>All other plans – within 60 days after the member’s termination of membership</p>	<p>All active members when they terminate active membership in the pension plan</p>
<p>Information Statements on Marriage Breakdown</p> <p>Regulation Section 35</p>	<p>Within 90 days after receiving a request for the statement</p>	<p>Both the member and pension partner</p>
<p>Information Statement after filing Matrimonial Property Agreement (MPA) or Order (MPO)</p> <p>Regulation Section 36</p>	<p>Within 60 days after receiving an acceptable MPA/MPO</p>	<p>Member and pension partner</p>
<p>Retirement Statement</p> <p>Regulation Section 37</p>	<p>Within 60 days after receipt of an application to retire, or</p> <p>If an application is received more than 120 days prior to the date at which pension is to commence, the later of 60 days after the receipt of the application and 120 days before pension is to commence</p>	<p>Applicant</p>

Phased Retirement Statement Regulation Section 38	Within 60 days after the receipt of an application to commence phased retirement	Applicant
Lump Sum Payment Statement Regulation Section 39	Within 60 days after the receipt of an application	Applicant
Pre-Retirement death benefit statement Regulation Section 40	Within 60 days after receipt of proof of death	Party entitled to death benefit <ul style="list-style-type: none"> • pension partner • beneficiary, or • estate
Death benefit statement with respect to a person receiving LITB benefits Regulation Section 41	Within 60 days after receipt of proof of death	Party entitled to death benefit <ul style="list-style-type: none"> • pension partner • beneficiary, or • estate
Plan Termination or Winding Up Statement Regulation Section 42	Within 30 days after the Superintendent provides notice of acceptance of the termination report	Persons with a benefit entitlement under the plan as of the date of plan termination
Calculation Data Regulation Section 43	Within 30 days after a request to review calculation date for a specific benefit entitlement	Any person entitled to receive a benefit
Examination and provision of information Regulation Section 46	Within 30 days after a request to examine information	The party making the request

What information must each disclosure item contain

The Regulation sections noted in the above chart list the items that must be contained in each disclosure item. Note that this is a minimum list and more information may be provided. For each item, the required information is intended to ensure that the member has received a clear understanding of subject matter.

Plan Summary

The plan summary must explain what the type of plan is and how it operates. It must include information about how benefits accrue, and member entitlements while the plan is ongoing, as well as on termination, retirement or death of the member. Finally, it must include a statement regarding the member's right to examine additional information and records pursuant to section 37(2) and (3) of the Act and sections 43 and 46 of the Regulation.

The summary should also indicate who to contact if the member has further questions and should contain information about the member's responsibilities under the plan including the responsibility to keep the administrator informed of changes such as a change in pension partner.

If an amendment is made to the plan text document that changes the information given in the plan summary, the plan summary must be updated in a timely manner so that it reflects the changes for persons joining the plan subsequent to the plan amendment. Where there are a series of changes made to the plan text document over a year or changes that affect a member's benefits, contribution rates or options on termination of membership, the plan summary must be updated at least annually. In addition, the existing members must be notified of the change by providing either the revised plan summary or a summary of the change with the member's next annual statement.

Statements

Each statement provided to a member (or other person entitled to a benefit statement) must contain some core information. This includes the:

- name of the pension plan and the Canada Revenue Agency registration number;
- name of and contact information for, the administrator;
- name and date of birth of the member;
- date on which the member joined the plan;
- name of the member's pension partner; and
- name of any designated beneficiary.

Beyond the core information, the information required for each statement depends upon what the event is (annual statement, termination statement, etc.) and the benefit type being covered. The noted sections of the regulation specifically list what is required for each of defined contribution, defined benefit and target benefit provision and any extra information that may be needed depending upon who sponsors the plan.

In all cases, the goal is to ensure that the member is given sufficient information to understand what their accrued benefit is, what, if any, options are available, the deadline for making elections and the consequences of not meeting the deadline. In the case of a defined benefit formula component, the statement must also indicate the plan's solvency ratio.

Finally, each statement must include a statement regarding the member's right to examine additional information and records pursuant to section 37(2) and (3) of the Act and sections 43 and 46 of the Regulation.

Good, clear disclosure takes time and effort. The desired outcome is that all parties know what the plan promises, what their specific entitlements are and what duties and obligations they have to support the smooth running of the pension plan.

For further information please contact:	
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For toll-free dialling within Alberta, call 310-0000 and then dial 780-427-8322.	Sign up for electronic notifications: http://finance.alberta.ca/subscribe/epen