

## Interpretive Guideline #16 Records Management

Issued: June 2016

This guideline is designed to outline the requirements and provide suggestions related to records management as required by 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.

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### What are Pension Plan Records

Pension plan records include:

- items related to the day to day operation of the plan as a whole such as the plan text document, plan amendments, funding agreements, policy statements, policy manuals and any other document related to the provisions, administration and funding of the pension plan;
- records required by legislation; and
- individual records, namely the information about a plan member, or other person entitled to benefits under the plan, that is used to determine the value of his entitlement and, if applicable, how benefits were paid.

Records referred to in this interpretive guideline refer to both current and historic documents unless otherwise indicated.

### Legislated Requirements for Records Retention

Section 34 of the Act charges the administrator, as well as any others connected with the administration of the plan (participating employers, fundholders, etc.) to retain the records or copies of all records related to the pension plan in their possession in Canada. It is important to note that this requirement applies not only to the administrator, but also to those who participate in the operation of the pension plan. The records shall be either in hard copy or in electronic format so that they may be easily accessed by any party participating in the operation of the pension plan, including the Superintendent upon his request. Retention of records by a third party does not absolve the administrator of its record retention obligations.

Section 35 of the Act requires that the administrator of a pension plan administer the plan in accordance with the requirements of the Act and the plan documents. It further charges the administrator with the duty to act in a fiduciary role to members and other entitled to benefits from the plan.

## **Plan Administrator**

### **Why Should Records be Retained**

To meet the requirements of sections 34 and 35 of the Act the administrator must have full and accurate records and must retain them for historic reference. Pension plans are a long term venture. Even if a plan terminates, pensions and benefits related to that pension plan will continue for as long as a former member or pension partner are alive. It is vital that records are available at any point in time to enable the administrator, the regulator and those entitled to benefits from the plan to be satisfied that the plan has been administered and benefits paid in accordance with the provisions of the plan text document and the legislation.

### **How Long Should Records be Kept**

Records should be retained for as long as the record may have applicability to the plan or to an individual entitled to benefits from the plan (this means even after the plan has terminated).

In respect of records related to the plan as a whole, plan records include the:

- original plan text document and all amendments to and restatements of that document;
- plan fundholder contracts/trust agreements;
- investment, funding and governance policies, if applicable;
- audited financial statements, if applicable;
- actuarial valuation report, if applicable;
- policy and procedure manuals;
- any other documents that relate to plan administration, funding and governance.

These documents provide a clear history of plan rules and administration from the plan's inception to the present date, thereby providing the administrator with the information needed to respond to inquiries related to the past and the present. Records may be needed to ensure that a plan amendment is consistent with the terms of the plan as it existed prior to the amendment, or to demonstrate that a benefit paid or action taken was consistent with the terms of the plan and its supporting documents that were in place at the time that the action occurred.

Individual records (those pertaining to members, former members and others entitled to benefit from the plan) are also important, both while the individual is an active member of the plan and once the member retires or becomes a former member, or for a beneficiary of the member on that member's death. These include but are not limited to:

- individual name;
- member data with respect to age, service and contributions;
- beneficiary designation;
- annual statements;
- termination statements;
- retirement statements;
- pension partner waivers, if applicable;
- any documents signed by the member, pension partner or beneficiary related to a choice made by that individual.

While administrators keep records with respect to active members and pensioners, it is considered reasonable to eliminate records with respect to former members once benefits have been paid out (or after a set period from the date of payment).

While there is no prohibition against elimination of records, it is advisable for the administrator to, as a minimum, keep a record summary that shows the:

- name of the member or former member;
- date the member joined the plan;
- date the member ceased active membership;
- reason for cessation of active membership;
- benefit entitlement;
- pension partner, if applicable;
- designated beneficiary, if applicable;
- payment option elected with respect to a former member;
- if funds were transferred from the plan, where the funds were transferred;
- the date of transfer or payment;
- signed pension partner waiver, if applicable;
- signed member election of payment option;
- any other items that may be relevant to the member and the benefit entitlement.

Individual records should be retained as long as the member, former member and his or her beneficiaries or estate have an entitlement under the pension plan or vehicle to which funds were transferred. In this way, if the member, former member or a beneficiary later questions what has happened to the benefit, the answer is easily accessible.

### **How must records be kept**

Records may be kept in paper copy or electronically or both. It is important with respect to electronic storage that the proper back up and security measures are taken so as to avoid losing important documentation or having inappropriate information released (protection of privacy). Also, it is good practice to have evidence or a process in place to substantiate that whatever is kept in electronic format is authentic and has not or cannot be altered. Reference should also be made to the Alberta *Electronic Transactions Act* to ensure the requirements of that legislation are met when holding documents electronically.

The administrator should have a written policy on records management and retention. This policy should consider the following items:

- types of documents that must be retained and their retention period;
- storage of documents (where and how);
- who may access documents and how documents may be accessed;
- special rules for private and confidential information;
- who is responsible for managing and retaining records;
- audit process, if any;
- record back-up;
- the retention period for each type of record; and

- how documents will be disposed of at the end of their retention period.

The administrator may hire a third party to maintain some or all of the records of the plan. In this case, the contract with the third party should reflect the items noted above. It remains incumbent upon the administrator to ensure that the records are being maintained at the agreed upon standard.

**Merger and Successor Employer Administrator Situations**

If a merger or successor employer situation occurs, and the assets and liabilities of the predecessor plan are being transferred to the successor plan, then copies of all of the records of the predecessor plan should be transferred to the successor plan administrator. It is advisable that the predecessor administrator maintain records related to the plan up to the date of merger. The same requirements would apply if there is a change in third party administrators.

**Retention of Records After Plan Wind-up**

When a pension plan is terminated it continues to be subject to the requirements of the Act until all assets and liabilities have been disbursed and the plan is therefore wound up. While plan wind-up does mean that there are no longer any assets and liabilities to be dealt with, it does not mean that questions about the payment of benefits will not arise subsequent to the wind-up date. For this reason, the administrator should retain records including those related to the plan termination and wind-up for as long as there is potential for questions about the plan or benefits from the plan to arise.

**Participating Employers**

If the employer is not the administrator as is the case in collectively bargained multi-employer plans (CBMEPs), non-collectively bargained multi-employer plans (NCBMEPs), or plans under which the employer has delegated administration to a third party, the participating employers are responsible for providing information to the administrator.

In the case of CBMEPs, the participating employers should maintain a record of remittance of contributions to the administrator showing how much was remitted and who it was remitted for.

In the case of NCBMEPs, in addition to the above information, the participating employer is responsible for providing the administrator with all required data related to each member in their employ and ensuring that the information remains current. Copies of all information provided to the administrator should be retained by the participating employer.

Where a third party administrator has been hired by a plan sponsor, the employer is responsible for providing the administrator with all required data related to each member in their employ and ensuring that the information remains current. Copies of all information provided to the administrator should be retained by the participating employer.

Participating employers should also have policies on how records are to be kept and retention periods required, similar to the policy described above for administrators.

### **Plan Member and Others Entitled to Benefits**

Individuals entitled to benefits or who have received benefits from a pension plan should maintain their own records to ensure that benefits have been properly calculated and paid. These records include as a minimum:

- annual statements;
- termination, retirement or death benefit statements;
- copies of any signed pension partner waiver forms;
- copies of any signed option election forms;
- copies of any beneficiary designation forms; and
- copies of employee booklets and plan explanations

Annual statements should be reviewed by the member when received to ensure that the information that the administrator has on file is up-to-date and accurate and that any corrections are provided to the administrator in a timely manner.

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