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CAPSA Guideline no. 8: Defined Contribution Pension Plans Guideline

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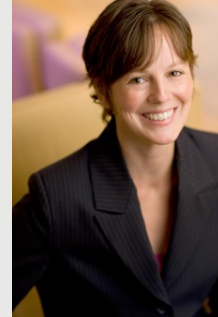
On March 28, 2014, the Canadian Association of Pension Supervisory Authorities (CAPSA) released new Guideline #8 "[Defined Contribution Pension Plans Guideline](#)" to clarify certain best practices for defined contribution (DC) pension plan administrators.¹ This new guideline is intended to supplement, and not replace, the requirements set out in CAPSA Guideline #3 "Guidelines for Capital Accumulation Plans". Although CAPSA Guidelines are not law, they provide pension plan administrators with a useful standard of best practices.

The new guideline is notable in that it elaborates on the responsibilities of DC plan members, such as in respect of investment selection (if applicable) and selecting from options provided on termination. It also characterizes member communication requirements differently depending on the stage of a DC plan member's career. The new guideline was released with an accompanying reference document providing information on the various regulated retirement products available to DC plan members in the payout phase.

Specifically, the new guideline:

- provides a summary of the various CAPSA guidelines already applicable to DC plans (#3, 4, 5 and 6);
- sets out responsibilities of the plan administrator, employer, plan sponsor, third-party service providers, fund holder and plan members, all with respect to DC plans;
- gives plan administrators guidance regarding the tools and other communications they should provide to DC plan members at various stages of the members' careers (during the accumulation phase, approaching the payout phase and during the payout phase); and
- provides guidance on what may constitute an adverse amendment for DC plans.

Please contact Megan Kaneen at mkaneen@lawsonlundell.com, 604.631.9229 or a member of our Pension and Employee Benefits Group for more information. .



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¹ This new guideline was originally released in draft on July 13, 2012 under the name "Guideline No. X".



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