SECTION:	Class of Employee
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Several issues have been raised by plan administrators concerning the operation and effect of this part of the *Pension Benefits Act* (the "PBA"). This administrative practice will clarify:

1) the meaning of "class of employee" within sections 31 and 33 including "nature of employment" and "terms of employment"; and

2) the meaning of "pension benefits and other benefits reasonably equivalent to those provided under the pension plan maintained ... for employees of the same class" in section 34.

Class of Employees

In determining what constitutes a "class of employees", the Superintendent will be guided by subsection 33(2) of the PBA and therefore examine both the issues of the "nature" and the "terms" of employment. Whether or not a separate class of employees exists will depend upon the specific employment circumstances of each situation.

One goal of pension reform embodied in the *Pension Benefits Act* is the extension of pension benefits without restriction due only to part-time status.

While historically pension plans have treated those types of employees listed below as separate classes, the Superintendent may, nevertheless, determine a class of employee based on the specific employment circumstances of a particular situation:

a) employees paid on a salaried basis;
b) employees paid on an hourly basis;
c) employees who are members of a trade union;
d) employees who are not members of a trade union;
e) supervisory employees;
f) management employees;
g) executive employees;
h) corporate officers;
i) employees who are also significant shareholders of the employer; and

j) such identifiable groups as are acceptable to the Superintendent.

Equivalent Benefits

For a pension plan established for part-time employees to be found to provide "reasonably equivalent benefits" to the sister plan for full-time employees of the same class, all benefits must be reasonably equivalent. All ancillary benefits, improvements and employee costs must thus be similar.

It is not possible to establish a defined contribution plan which successfully mirrors a defined benefit plan. A mere duplication of contributions is not, due to the vagaries of investment returns and apportionment of risk between the sponsor and members, sufficient to satisfy the criteria of reasonable equivalence.