



SECTION: Administrative Expenses

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PBA, 1987 ss. 27(1)

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Note: Due to legislative changes, the reference to ss. 27(1) of the PBA, 1987 should now read ss. 26(1) of the PBA, R.S.O. 1990.

What kind of administrative expenses can be paid out of the pension fund? Can an Administrator change the kind of expenses being paid?

The PBA, 1987 does not specifically prescribe the nature or type of an administrative expense. However, if the cost of administration of a pension plan and a pension fund is to be paid from a pension fund, the pension plan documents must set out a mechanism for this. Each pension plan is unique and determination of reasonable fees and expenses is to be made by the Administrator.

Yes, an Administrator can change the kind of expenses being paid from the fund. To do so, an amendment to the plan would have to be registered. Such a proposed amendment would have to be given to all necessary parties, pursuant to subsection 27(1) of the PBA, 1987, unless it can be established that no rights of a member, former member, or other person entitled to payment from the fund could be adversely affected.