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SECTION: Annual Information Return (AIR)

INDEX NO.: A500-205

TITLE: Late Filing Fees - How to Calculate Interest on Overdue Annual Filing Fee Payments, PBA, 1990 s. 20 and O. Reg. 909 ss. 18

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#### **Calculation of Interest on Overdue Annual Filing Fee Payments**

Section 20 of the *Pension Benefits Act* and subsection 18(1) of the Regulations require the administrator of a pension plan to file an Annual Information Return (an "AIR"). An annual filing fee must be calculated and remitted as part of this filing requirement.

Prior to November, 1992, the deadline for filing the AIR and remitting filing fees for all plans had been no later than six months after the last day of each fiscal year of a pension plan. The six month deadline still applies to pension plans that provide only defined contribution benefits. In November 1992, the filing deadline for all other types of pension plans was changed to nine months after the last day of each fiscal year-end of the plan.

The method of calculating the annual filing fee for plans filing an AIR with a fiscal year ending on or after December 31, 1992 is included in Schedule A to the AIR form. The fee schedule can also be found under subsections 18(2), (3) and (4) of Regulation 909. Where fees are outstanding with respect to a fiscal year ending prior to December 31, 1992, please refer to the predecessor versions of section 18 for the fee schedules which were in force on the applicable due dates.

The filing fee for an AIR filed after the due date is 120 per cent of the fee otherwise owing. A fixed rate of interest must be paid on an overdue annual filing fee from the day following the due date to the date payment is actually received. Interest is calculated on the amount payable on the due date.

The rates of interest which are applicable to overdue AIR filing fee payments over the period from April 1, 1988 to March 31, 1995 are reproduced in the following table. Rates were originally established on a semi-annual basis. Quarterly rates are applicable from April 1, 1993.

Example:

Assume that a filing fee payment for the fiscal year ending December 31, 1993 is overdue, and when received on February 4, 1995, payment does not include the increase and interest charges. The outstanding amount which must be remitted is calculated as follows:

Using the table below, the interest rate which was effective on October 1, 1994 is 8 per cent.

Filing fee at due date:	\$1,500.00
Due date:	September 30, 1994
Date payment is received:	February 4, 1995
Interest:	@ 8% from October 1, 1994 to February 4, 1995
Filing Fee at February 4, 1995	\$1,800.00
Interest - \$1,500 x 0.08 x <u>127</u>	
365	\$ <u>41.75</u>
Total payment due as at February 4, 1995	\$1,841.75
Less: Amount received on February 4, 1995	<u>\$1,500.00</u>
<b>Payment outstanding as at February 4, 1995</b>	<b>\$ 341.75</b>

Cheques must be made payable to the Minister of Finance. The registration number of the pension plan should be noted on the cheque.

For more information concerning required fees for the registration of a new pension plan and annual filing fees, refer to Policy Series A500.

**Annual Rates of Interest Payable on Overdue Annual Filing Fee Payments**

Apr. 1/88 - Sep. 30/88	10%
Oct. 1/88 - Mar. 30/89	11%
Apr. 1/89 - Sep. 30/89	12%
Oct. 1/89 - Mar. 31/90	14%
Apr. 1/90 - Sep. 30/90	14%
Oct. 1/90 - Mar. 31/91	15%
Apr. 1/91 - Sep. 30/91	13%
Oct. 1/91 - Mar. 31/92	10%
Apr. 1/92 - Sep. 30/92	8%
Oct. 1/92 - Mar. 31/93	7%
Apr. 1/93 - Jun. 30/93	7%
Jul. 1/93 - Sep. 30/93	6%
Oct. 1/93 - Dec. 31/93	6%
Jan. 1/94 - Mar. 31/94	6%
Apr. 1/94 - Jun. 30/94	6%
Jul. 1/94 - Sep. 30/94	7%
Oct. 1/94 - Dec. 31/94	8%
Jan. 1/95 - Mar. 31/95	7%

*See also A500-206 for the updated Interest Table.*