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Note: Due to legislative changes, the references to the "PCO" should now read "FSCO."

Common Problems to Avoid When Making an Application for Registration of a Pension Plan and a Plan Amendment

This article summarizes the most common mistakes and deficiencies encountered by PCO staff. If incomplete applications or improperly completed application forms are filed, processing delays will result.

You can eliminate unnecessary delays by planning ahead and avoiding these common errors made by plan administrators, their agents and staff in submissions to the PCO.

A Applications to Register New Plans

- Common Problem: No Investment Policy Return ("IPR") is Filed

All applications to register new plans must include the Investment Policy Return ("IPR"), including applications to register new defined contribution plans.

Plans in which benefits are funded by a fully insured contract or a deposit administration contract, must complete only Parts A and B of the IPR.

Plans that are not funded by a fully insured contract or a deposit administration contract must complete Parts A and C of the IPR **and** submit a Statement of Investment Policies and Goals **together with** the application.

For your convenience, an updated version of the Investment Policy Return is found in the supplement to the Spring 1995 PCO Bulletin.

- Common Problem: No Statement of Investment Policies and Goals is Filed.

This document forms part of the application and must be included with it. The requirement applies to all plans except those that are funded by a fully insured contract or deposit administration contract.

- Common Problem: Missing Explanatory Employee Booklet

The booklet is an explanation of the plan provisions and the rights and obligations of members and persons eligible to become members of the plan. It must be provided to all those persons and filed together with the application.

In some smaller plans, the plan text itself frequently is used as the explanatory booklet and a separate employee booklet is not prepared. If this is the case, **please make this clear in the application.**

- Common Problem: Missing Cost Certificate and/or Actuarial Report

The legislation requires that an initial cost certificate must be filed within 60 days of the establishment of the plan. If the plan provides defined benefits, a full actuarial report (which includes the cost certificate) is required to be filed with the application and within the 60 day time period.

- Common Problem: Uncertified Plan Documents

The plan text and any amendments submitted with an application must evidence adoption by the employer or plan sponsor. If they do not, certified copies will be requested.

B Applications to Register Plan Amendments

- Common Problem: Failure to Identify the Nature of the Amendment

If the plan amendment involves:

- an asset transfer;
- wind up (full or partial);
- distribution of surplus;
- merger of pension plans;
- plan conversion;
- a refund of contributions; or
- an early retirement program

this must be indicated by checking the appropriate section of the form.

If none of these transactions apply, the “other” box must be checked.

- Common Problem: Uncertified Amending Documents

Unsigned amendments or “replacement pages” for plan texts are frequently submitted. This practice is not acceptable. Only signed amendments are accepted and the plan employer or plan sponsor’s adoption of the contents of the replacement pages must be evidenced.