



A GUIDE TO UNDERSTANDING YOUR PENSION PLAN

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How to Become a Plan Member

Membership in a pension plan can be mandatory (required as a condition of your employment) or voluntary.

If membership is *mandatory*, then you must join the plan when you become eligible.

If membership is *voluntary*, and you decide not to join once you become eligible, you still have the right to join at a later date.

Employee Eligibility

An employer may establish a pension plan for all of its employees, or for one or more **classes of employees**.

A class of employees is normally defined by the nature and terms of employment. For example, a class of employees could consist of:

- salaried employees
- hourly employees
- unionized employees
- non-unionized employees
- supervisors
- managers
- executives
- corporate officers
- employees who work at a specific location or division

Once a pension plan is established for a class of employees, every employee in that class is eligible to join that pension plan.

A class can consist of only a few individuals. For example, a class might include only vice-presidents of a corporation.

If an employer wants to provide pension benefits to a particular person, it can also establish a separate single-member plan, which is often called an individual pension plan (IPP).

Employers can establish separate pension plans for full-time and part-time employees. However, the pension plan that is established for part-time employees must provide benefits that are reasonably equivalent to those provided for full-time employees of the same class. If there is no separate pension plan for part-time employees, they cannot be distinguished as a separate class of employees from full-time employees.

Eligibility for Different Types of Plans

Single Employer Pension Plan (SEPP)

Your eligibility to join a **SEPP** is based on years of service (employment). Your age or gender cannot be a condition of eligibility.

If you are a *full-time employee*, you are entitled to join the SEPP after completing two years of **continuous employment**.

If you are a *part-time employee*, you are entitled to join the SEPP after 24 months of employment, if you meet one of the following criteria (whichever is less) in each of the two consecutive calendar years immediately before joining the plan:

- you worked 700 hours, or
- you earned at least 35 per cent of the [Year's Maximum Pensionable Earnings](#).

Exceptions

- The SEPP allows you to join earlier.
- Once you meet the eligibility conditions and join the SEPP, you do not stop being a [plan member](#) just because your hours or earnings are reduced.

Multi-Employer Pension Plan (MEPP)

The eligibility rules for joining a [MEPP](#) are somewhat different because employees tend to move back and forth among the employers who participate in these plans.

Both full-time and part-time employees are entitled to join a MEPP once they meet one of the following criteria (whichever is less) in each of the two consecutive calendar years immediately before joining the plan:

- work a total of 700 hours for one or more of the participating employers, or
- earn a total of at least 35 per cent of the [Year's Maximum Pensionable Earnings](#) with one or more of the participating employers.

Exceptions

- Your MEPP may allow you to join earlier.
- Once you meet the eligibility conditions and join the MEPP, you do not stop being a plan member just because your hours or earnings are reduced.

Jointly Sponsored Pension Plans (JSPPs)

[JSPPs](#) may be single employer (SEPPs) or multi-employer pension plans (MEPPs).

If the JSPP is a [SEPP](#), the eligibility rules that apply to SEPPs will apply.

Similarly, if the JSPP is a [MEPP](#), the eligibility rules that apply to MEPPs will apply.

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