Roles of the Pension Plan Administrator and Pension Plan Advisory Committee

Role of the Pension Plan Administrator

Each pension plan must have a pension plan administrator—the individual or organization responsible for the overall administration of your pension plan.

The pension plan administrator may be:

- the employer(s) who participate(s) in the plan;
- a pension committee (which must include member representatives);
- a board of trustees (in some cases, such as for a **multi-employer pension plan**, at least half of the trustees must be member representatives);
- an insurance company (if it guarantees all benefits provided under the plan); or
- another entity established by law.

The plan administrator must ensure that the pension plan and pension fund are administered in accordance with the **Pension Benefits Act (PBA)** and its regulations.

The pension plan administrator's responsibilities include:

- managing the **pension fund** and making investments based on requirements in the pension plan's documents and all relevant laws (i.e., the **PBA** and the federal **Income Tax Act**);
- enrolling employees in the pension plan;
- providing pension **plan members** with information when they join the pension plan, in the form of a brochure or booklet that explains how the plan works, how contributions are made and plan members' rights and responsibilities;
- responding to inquiries and complaints from pension plan members;
- determining pension plan members' individual pension entitlements;
- providing plan members statements on their pension benefits on a yearly basis, when employment or plan membership ends, and at retirement, as well as a statement to the plan member’s beneficiaries upon the death of the member;
- making payments to **plan beneficiaries** when they are due;
- making payments to former spouses of plan members with respect to their share, if any, of the members' pension benefits on marriage breakdown [in accordance with the **PBA** and regulations, and documents (e.g., court documents, arbitration award or domestic contract) that are filed with the administrator];
- applying to FSCO for registration of the pension plan and any plan amendments;
- filing required documents with FSCO (e.g., actuarial funding valuation reports, annual information returns, financial statements and **Pension Benefit Guarantee Fund** assessment certificates); and
- making certain documents and information available for plan members at the employer's offices (e.g., pension plan texts, insurance contracts, trust agreements, and correspondence between the administrator and FSCO).

Pension plan administrators may delegate some or all of these responsibilities to third party service providers including, but not limited to:

- **actuaries**
- accountants
- lawyers
- pension plan consultants
- investment managers
- mutual fund companies
- insurance companies
- trust companies
- benefits administration companies

In these instances, the plan administrator may direct one or more of these individuals or service providers to respond to inquiries from pension plan members. Although the plan administrator is still ultimately responsible for these tasks, these individuals or service providers are subject to the same duty of care as the plan administrator.

Back to top

Pension Plan Advisory Committee

A pension plan advisory committee is a group of people selected from among **active**, **retired**, and **former members** of a plan, who meet to discuss plan administration matters and other topics of interest to plan beneficiaries.

Establishing an advisory committee

With some exceptions, a group of at least 10 active and retired plan members can notify their plan administrator they intend to establish an advisory committee. The plan administrator must then help the group share information with all plan members and conduct a vote. The committee is established if the majority of members and retired members who participate in the vote, vote in favour of the committee.

Each **class of employees** covered by the pension plan is entitled to at least one representative on the committee. **Retired members** are entitled to appoint two representatives, while **former members** are entitled to appoint one representative. The committee can have up to 15 representatives.

The role of an advisory committee

The role of an advisory committee is to:

- monitor the pension plan;
- make recommendations on the plan's administration (although the **plan administrator** is not required to accept them); and
- promote awareness and understanding of the plan.

The committee (or its representative) has the right to examine the plan administrator’s records that relate to the pension plan and pension fund, and to make copies of the records. However, any personal information contained in such records cannot be shared without the person’s prior consent.

The committee is also entitled to meet twice a year with the plan administrator and once a year with both the plan’s actuary and with someone who can report on the plan’s investments.

The plan administrator must provide reasonable administrative assistance to the advisory committee to prepare and distribute an annual report on the advisory committee’s activities. Reasonable costs for the advisory committee’s activities may be paid from the pension fund.

Back to top