Content on this page has been transferred from the Financial Services Commission of Ontario (FSCO) site as a PDF for reference. Links that appear as related content have also been transferred and can be found at the end of this document.

FAQs - Statement of Investment Policies and Procedures (SIPP)

Under section 78(1) of Regulation 909 under the Pension Benefits Act (PBA), the administrator of a pension plan is required to establish a statement of investment policies and procedures (SIPP) for the plan that meets the requirements of the federal investment regulations (FIR), as modified in sections 47.8 and 79 of the Regulation. Effective January 1, 2016, plan administrators (administrators) are required to file their SIPP and SIPP amendments, with the Financial Services Commission of Ontario. (Detailed information on rules concerning SIPPs)

Answers to frequently-asked-questions are provided below. As of February 2016, the FAQs have been renumbered in order to streamline the content. Each FAQ shows the date of posting. FAQs that are no longer accurate/relevant are archived.

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General:

Q50. What is a statement of investment policies and procedures and what needs to be in it?

A50. A statement of investment policies and procedures (SIPP) is a document that contains information about investment policies and procedures in respect of a plan's portfolio of investments and loans. Under section 78(1) of Regulation 909, the administrator of a pension plan is required to establish a SIPP for the plan that meets the requirements of the federal investment regulations (FIR), as modified in sections 47.8 and 79 of Regulation 909.

The FIR are defined in section 66 of Regulation 909 as sections 6, 7, 7.1 and 7.2 and Schedule III to the Federal Pension Benefits Standards Regulations, 1985 (PBSR) made under the Pension Benefits Standards Act, 1985 (Canada) as they may be amended from time to time. The FIR are incorporated by reference in sections 78 and 79 of Regulation 909.

Section 7.1 of the PBSR contains a list of factors that must be addressed in certain SIPPs, including:

- information on the categories of investments and loans used by the fund;
- the diversification of the investment portfolio;
- asset mix and rate of return expectations; and,
- the liquidity of investments.

The factors listed in section 7.1 do not apply to SIPPs for member-directed defined contribution plans.

Under the amendments to section 78 of the PBA Regulation, effective January 1, 2016, a plan's SIPP must also state whether environmental, social and governance (ESG) factors are incorporated into the plan's investment policies and procedures, and if so, include a description of how those factors are incorporated. -07/2015

Q51. I understand that under the amendment to section 79(1) of Regulation 909, our plan's assets must be invested in accordance with the statement of investment policies and procedures (SIPP). When must our plan be in compliance with the SIPP?

A51. As a matter of prudence and good plan governance, the assets of the plan should be invested in accordance with the statement of investment policies and procedures (SIPP). However, the legislative requirement that your plan's assets must be invested in accordance with the SIPP comes into effect as of January 1, 2016.

The only caveat is that where the SIPP does not comply with the federal investment regulations (FIR), as modified in sections 47.8 and 79 of Regulation 909, the FIR prevails, and you will need to amend your SIPP to be compliant with the FIR.

This means that in 2015, the administrator will need to review the plan's SIPP and investments to ensure consistency with one another and compliance with the FIR, as modified in sections 47.8 and 79 of Regulation 909, and amend the SIPP and/or modify its investments accordingly. -12/2014

Q52. I administer a member-directed defined contribution plan registered in Ontario. Given the changes to the federal investment regulations in 2015, does my plan still need to establish and file a SIPP?

A52. Yes. The Ontario requirement for the establishment of a SIPP is not contained in the federal investment regulations, but directly in section 78 of Regulation 909. Therefore, member-directed defined contribution (DC) plans are still required to establish a SIPP and file it with FSCO. If you administer a hybrid or combination benefit plan with a member-directed DC provision, the SIPP must address the investments of all provisions, including the DC provision.

For FSCO's expectations on the content of SIPPs for these plans, refer to FSCO's Investment Guidance Note on Statements of Investment Policies and Procedures (SIPPs) for Member-Directed Defined Contribution Plans. - 2/2016

Q53. Do I still have to review my statement of investment policies and procedures?

A53. Yes.

The administrator of a defined benefit plan, administrator-directed defined contribution plan, or a combination or hybrid plan with either of those plan provisions, must review and confirm or amend the statement of investment policies and procedures (SIPP) at least once each plan year.

The administrator of a stand-alone member-directed defined contribution plan must periodically review and confirm or amend the SIPP, although not necessarily annually. Administrators of such plans will need to determine the frequency of review that is appropriate given the circumstances of their plan. In this regard, see Investment Guidance Note on Statements of Investment Policies and Procedures (SIPPs) for Member-Directed Defined Contribution Plans for more information. -2/2016

Filing Requirement:

Q100. When do I have to file the statement of investment policies and procedures with FSCO?

A100. If your plan is registered before January 1, 2016, you must file the statement of investment policies and procedures (SIPP) by March 1, 2016. If your plan is registered on or after January 1, 2016, you must file the SIPP within 60 days after plan registration. You must also make a filing within 60 days of an amendment to a SIPP. -04/2015

Q101. Under the rules effective January 1, 2016, does my statement of investment policies and procedures have to be filed annually?

A101. No. After the initial filing of the statement of investment policies and procedures (SIPP) (in accordance with the deadlines set out in Regulation 909), only amendments to the SIPP need to be filed. These amendments must be filed within 60 days after the date the amendment is made. -12/2014

Q102. Our statement of investment policies and procedures (SIPP) covers several separate registered pension plans, all sponsored by the same employer. The investment policies and procedures are the same for all of the plans. Can we file this document for each of the plans, or do we need to create separate SIPPs for each plan for filing purposes?

A102. Filing the same document for each plan would be acceptable, provided the statement of investment policies and procedures (SIPP) clearly names each plan, the SIPP content is appropriate for each plan, and the SIPP was approved by the administrator of each plan in accordance with its fiduciary duties. The SIPP should also clearly indicate if any of the sections of the document are not applicable to one or more of the plans. - 2/2016

Q103. Why are plans in the process of winding up required to file a statement of investment policies and procedures? Do these plans need to conduct other types of due diligence, such as monitoring fund performance, etc. as well?

A103. Under section 76 of the PBA, the pension fund of the pension plan that is wound up continues to be subject to the Act and the regulations until all of the assets of the pension fund have been disbursed.

Therefore, the administrator, among other things, must:

- file the statement of investment policies and procedures (SIPP) (as required under section 78 of Regulation 909) along with the SIPP Information Summary (Form 14); and
- continue to exercise the care, diligence and skill in the administration and investment of the pension fund required under section 22 of the PBA. - 2/2016

Q104. Our plan's statement of investment policies and procedures (SIPP) makes reference to other investment policy documents (e.g., environmental, social and governance (ESG) policy, securities lending policy, manager mandates). Is the administrator required to file these other policies with the SIPP?

A104. If other policies are referenced in the statement of investment policies and procedures (SIPP) for information purposes only and do not form part of the SIPP, they do not need to be filed with the SIPP. The SIPP without reference to these other policies must meet all prescribed content requirements.

The answer would be different if one or more of the other policies form part of the SIPP. This would happen when:

- the other policy is included in the SIPP (e.g., as an appendix); or
- the other policy is incorporated by reference into the SIPP (i.e., there is clear language in the SIPP stating that the other policy forms part of the SIPP).

The SIPP in its entirety must be filed and an amendment to the SIPP, including an amendment to any other policy or document that forms part of the SIPP, must be filed. - 2/2016

SIPP Information Summary (Form 14)

Q200. What is the Statement of Investment Policies and Procedures (SIPP) Information Summary (Form 14), and what is its purpose? How and when do I file it?

A200. The Statement of Investment Policies and Procedures (SIPP) Information Summary (Form 14) is a Superintendent approved form that must be filed with FSCO together with the SIPP. Form 14 will provide FSCO with general information about the plan's SIPP and the plan's compliance with Regulation 909 including the federal investment regulations as incorporated therein. Form 14 will also enable FSCO to provide Ontario pension stakeholders with aggregate information on industry investment practices.

Form 14 must be completed and filed through FSCO's Pension Services Portal (PSP) and the SIPP must be uploaded as an attachment to the form. The filing deadline for the SIPP and Form 14 is March 1, 2016. Form 14 will be available on the PSP starting in January 2016.

Administrators may delegate the authority to complete Form 14 and upload the SIPP, using the appropriate protocols on the PSP. - 2/2016

Q201. The statement of investment policies and procedures (SIPP) for our plan was established back in the 1990s, but the actual date it was established is not on record. How do we respond to the first field in question 108, 'Date the SIPP was first established'?

A201. If you do not know the date the statement of investment policies and procedures (SIPP) was first established, you may skip the first field in question 108 in Form 14. Instead, complete the second field by indicating the date the SIPP was last amended or restated. - 2/2016

Q202. In response to the statement of investment policies and procedures (SIPP) filing requirement, we have prepared a restated SIPP, with an effective date of January 1, 2016. Do we put this date in the first or second field in question 108 in form 14?

A202. Enter the date in the second field. - 2/2016

Q203. The User Guide that was issued with the Statement of Investment Policies and Procedures (SIPP) Information Summary Form stated that when uploading a file containing the SIPP, the file must be in searchable PDF format. Is this still the case?

A203. No. The statement of investment policies and procedures (SIPP) does not have to be uploaded in a searchable PDF format. A standard PDF or Word format is acceptable. The User Guide has been updated accordingly. – 08/2016

Environmental, Social, and Governance (ESG)

Q300. Does section 78(3) of the Regulation require our plan to adopt an environmental, social, and governance (ESG) program? That is, does the Regulation require the plan to incorporate ESG factors?

A300. No. Section 78 simply requires that a statement of investment policies and procedures include a statement about whether environmental, social, and governance (ESG) factors are incorporated into the plan's investment policies and procedures, and if so, how they have been incorporated. -10/2017

Q301.1. Our plan has no policies or procedures addressing the incorporation of environmental, social and governance (ESG) factors. Instead, the administrator has decided to leave the decision to incorporate ESG factors to its investment managers. Can this be described in the statement of investment policies and procedures (SIPP) as incorporating ESG factors?

A301.1. No. If the plan administrator leaves the decision to incorporate environmental, social and governance (ESG) factors to its managers, without any policy or procedure guidance, it is FSCO's view that this does not constitute the incorporation of ESG factors in the plan's investment policies and procedures. -10/2017

Q301.2. The administrator of our plan has considered the incorporation of environmental, social and governance (ESG) factors, and would like to incorporate

them. What are some ways in which we can do this?

A301.2. Some examples of incorporating environmental, social and governance (ESG) factors include:

- The policies or procedures of the plan could require that its investment managers incorporate ESG factors in their investment decision-making process. It would also be appropriate if the policy or procedure qualified that such incorporation only be required where such factors are relevant to the financial performance of the fund or applicable portfolios. The implementation details, such as the specific techniques used to incorporate ESG for each portfolio, can be delegated to investment managers.
- The administrator could formally adopt the ESG policy of its investment manager(s), where the manager(s) incorporates ESG factors into its investment policies.
- The policies or procedures of the plan could describe how the administrator incorporates ESG factors as part of the search, selection and review process relating to investment managers or funds.

It is the administrator's purview to determine whether to incorporate ESG factors, and the disclosure should ultimately seek to accurately reflect its approach to ESG incorporation. To meet the regulatory requirement that the administrator describe how ESG factors are incorporated, such approaches should be described at a high level in the plan's statement of investment policies and procedures (SIPP). -10/2017

Q302. Our plan incorporates environmental, social and governance (ESG) factors into its investment policies and our managers are expected to comply with them. As administrator, am I required to monitor the managers to ensure they comply with the ESG policy as disclosed in the statement of investment policies and procedures?

A302. Yes. Administrators have a fiduciary duty to supervise their investment managers, including ensuring that the managers are complying with the PBA and starting January 1, 2016, with the statement of investment policies and procedures (SIPP) itself. This supervision requirement would extend to the incorporation of environmental, social and governance (ESG) factors, assuming the plan's SIPP incorporates ESG factors.

It is the administrator's responsibility to establish the processes to monitor and report on compliance. If its managers are not already reporting on compliance with the SIPP, the administrator may wish to add this as a regular reporting requirement. - 2/2016

Multi-jurisdictional Application of the Statement of Investment Policies and Procedures Filing and Disclosure Rules

Q400. Starting in 2016, is the administrator of a plan registered in a jurisdiction other than Ontario, but with Ontario members, required to file its statement of investment policies and procedures with FSCO?

A400. No. The administrator of a plan registered in another jurisdiction, but with Ontario members, is not required to file its statement of investment policies and procedures (SIPP) with FSCO. Whether it must file its SIPP with the regulator of the jurisdiction of registration is dependent on the legislation of that jurisdiction. - 3/2016

Q401. Is the administrator of a plan registered in a jurisdiction other than Ontario, but with Ontario members, required to include in its statement of investment policies and procedures the disclosures concerning environmental, social and governance factors that are required under section 78(3) of Regulation 909 under the PBA?

A401. No. FSCO does not require the administrator of a plan registered in another jurisdiction, but with Ontario members, to comply with section 78(3) of Regulation 909 concerning disclosure of environmental, social and governance (ESG) factors, although the administrator may do so. - 3/2016

SIPP Amendments

Q500. Can I file amendments to the statement of investment policies and procedures (SIPP) with FSCO?

A500. Yes. Amendments to a statement of investment policies and procedures (SIPP) may be filed through the Pension Services Portal (PSP). These may be individual amendment(s) or the restated SIPP in its entirety.

A new SIPP Information Summary (Form 14) will also need to be completed and submitted with the SIPP amendment(s) or re-stated SIPP. FSCO is working on enhancing PSP capability so that in future, updates can be made to an existing Form 14 on file with FSCO.

Detailed instructions for filing SIPP amendment(s) or restated SIPP are available on FSCO's website. -04/2016

Q501. Can I make a correction to a previously filed SIPP Information Summary (Form 14)?

A501. Yes. For the time being, a correction to a previously filed SIPP Information Summary (Form 14) can only be made by completing and submitting a new Form 14 through the Pension

Services Portal (PSP).

FSCO is working on enhancing PSP capability so that in future, corrections can be made to an existing Form 14 on file with FSCO.

Detailed instructions for correcting a previously filed Form 14 are available on FSCO's website.
-04/2016

More Information:

- Annual Statement of Pension Benefits - Statement of Investment Policies and Procedures Content
- Biennial Statements for Former and Retired Members - Statement of Investment Policies and Procedures Content

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Right-click the link and select "open in new window"

Rules concerning the Statement of Investment Policies and Procedures (SIPP)

Updated: July 2015

Background:

A statement of investment policies and procedures (SIPP) is a document that contains information about investment policies and procedures in respect of a plan's portfolio of investments and loans. Under section 78(1) of Regulation 909 (Regulation) under the Pension Benefits Act (PBA), the administrator of a pension plan is required to establish a SIPP for the plan that meets the requirements of the federal investment regulations (FIR), as modified in sections 47.8 and 79 of the Regulation.

Note: The FIR are defined in section 66 of the Regulation as sections 6, 7, 7.1 and 7.2 and Schedule III to the Federal Pension Benefits Standards Regulations, 1985 (PBSR) made under the Pension Benefits Standards Act, 1985 (Canada) as they may be amended from time to time. The FIR are incorporated by reference in sections 78 and 79 of the Regulation.

Ontario has recently adopted additional requirements concerning the SIPP, which are described below.

Filing Rules

Effective January 1, 2016, administrators of Ontario registered pension plans must file their SIPPs and SIPP amendments with FSCO according to the following deadlines:

- For plans registered before January 1, 2016, the SIPP must be filed by March 1, 2016.
- For new plans registered on or after January 1, 2016, the SIPP must be filed within 60 days after plan registration.
- Amendments to a SIPP must be filed within 60 days after the date the amendment is made.

Administrators must submit SIPP filings electronically through FSCO's Pension Services Portal starting in 2016. If SIPPs are filed before January 2016, administrators will need to re-submit them electronically through the portal after January 1, 2016.

FSCO will provide more information and tools to assist administrators in complying with the filing requirement.

Content Rules

Content requirements for certain SIPPs are currently set out in the FIR – specifically section 7.1 of the PBSR. The factors listed in section 7.1 do not apply to SIPPs for member-directed defined contribution plans.

Section 78 of the Regulation has been amended, effective January 1, 2016, to require that a plan's SIPP state whether environmental, social, and governance (ESG) factors are incorporated into the plan's investment policies and procedures, and if so, include a description of how those factors are incorporated.

Compliance with SIPP

Section 79(1) of the Regulation has been amended so that, effective January 1, 2016, plan assets must be invested in accordance with the SIPP (provided the SIPP does not conflict with the FIR, as modified by the Regulation, with which the SIPP must also comply). Accordingly, administrators should review their SIPPs to determine if they are in accordance with the plan's current investment practices and procedures, and with the FIR.

Disclosures re SIPP in Member, Former Member, and Retired Member Statements

Finally, effective July 1, 2016, administrators must include prescribed information about the SIPP in the statements to members, former members, and retired members. (See amended section 40 of the Regulation and sections 40.1 and 40.2 of the Regulation for details).

Frequently Asked Questions:

- Statement of Investment Policies and Procedures
- Annual Statement of Pension Benefits - Statement of Investment Policies and Procedures Content
- Biennial Statements for Former and Retired Members - Statement of Investment Policies and Procedures Content

E-filing Instructions: Statement of Investment Policies and Procedures (SIPP), SIPP Information Summary (Form 14), SIPP Amendments/Re-stated SIPP

To E-file a SIPP and Form 14:

1. Log into the Pension Services Portal (PSP).
2. In the top navigation bar, select 'E-filing'.
3. On the 'Filing Record' page, select the:
   plan number;
   filing (SIPP); and
   filing year.
4. Click on 'Start' in the 'Actions' column.
5. On the 'Filing Profile' page, click on 'Start'.
6. Click on 'Open Form 14' in the 'Actions' window and complete the applicable sections of the form. Warning and error messages (if any) will be displayed as you complete the form.

Once you submit the filing, you cannot make any changes to it. To make correction(s) to a filing that has been submitted, you must make a re-filing request through the PSP. See our instructional video and/or instructions.

7. Click on 'Save and Close'.
8. On the 'Filing Workspace' page, click 'Upload SIPP' in the 'Actions' window.
9. On the 'Attach Document' page, click on 'Browse'. Select the PDF file you wish to submit.
10. Click on 'Save and Close' to complete the upload process.
11. On the 'Filing Workspace' page, click on 'Submit Filing' in the 'Actions' window.
12. On the 'Submit Filing' page, click the checkboxes to begin the certification process.
13. Click on 'Certify & Submit' to complete the certification and submission process.

Important:

- Pension Plan Administrators and/or their designated users must accurately complete all relevant sections of the SIPP and submit the filing within the prescribed time period.
- The SIPP must be filed in accordance with the Form 14-User Guide.
- A SIPP is not considered to be filed unless it has been completed in full and submitted online, in accordance with these instructions.
- The Financial Services Commission of Ontario will review the submitted data and respond to compliance issues or other concerns, in accordance with current standards.

To E-file SIPP amendment(s) or re-stated SIPP:

1. Log into the PSP.
2. In the top navigation bar, select 'Applications'.
3. On the 'Application Record' page, click on 'New Application'.
4. On the 'Application Profile' page, select the 'Plan Number' from the drop-down menu.
5. Select 'Request to file SIPP amendment(s) or restated SIPP' from the 'Application Type' drop-down menu.

- If you have a SIPP filing record open, you will see the message: "This application cannot be created as this plan already has an open SIPP".
- Click on 'E-Filing' from the top navigation bar to complete this filing.

6. Enter the date of the most recent SIPP amendment.

7. Click on 'Start'.

- If you need to change the date you entered on the previous screen, go to the 'Actions' window and click on 'Edit Profile'.
- You will be presented with the 'Application Profile' page. Make the date change.
- Click on the 'Save and Close' button and go back to step 4.

8. On the 'Application Workspace' page, click on 'Submit' in the 'Actions' window.

9. Check the certification box and click on 'Certify & Submit'.

10. You will be returned to the 'Application Workspace' page.

After completing the steps above:

- your request will be automatically approved;
- a SIPP filing record will be created instantly; and
- a confirmation email will be sent to you.

Additional Information:

- FAQs on E-Filing the Statement of Investment Policies and Procedures (SIPP) and SIPP Information Summary (Form 14) through the PSP
- How to open, view or print a fillable filing that has been started or submitted
- How to view warning and error messages
- Instructional video on how to E-file a SIPP and complete Form 14
- Logging into the PSP

Instructions for Making A Re-filing Request

1. Log into the Pension Services Portal (PSP).
2. In the top navigation bar, click on 'E-filing'.
3. On the 'Filing Record' page, select the:
   plan number;
   filing; and
   filing year.
4. Click on 'Open Workspace' from the 'Actions' column.
5. On the 'Filing Workspace' page, click on 'Request Re-filing' in the 'Actions' window.
6. On the 'Application Profile' page, answer the questions and then click on 'Start'.
7. On the 'Application Workspace' page, click on 'Submit' in the 'Actions' window.
8. On the 'Submit Application' page, click on the checkbox to begin certification.
9. Click on 'Certify & Submit' to complete the certification and submission process.

You will receive an email notification about the status of your re-filing request. If additional information is required, staff at the Financial Services Commission of Ontario (FSCO) will contact you. To view the status of your request, see the 'Application Workspace' page.

Additional Information:

- Instructional video on how to make a re-filing request

Important:

The re-filing of a Pension Benefits Guarantee Fund Assessment Certificate (PBGF) will generate a new invoice based on the values entered on the re-filed PBGF. The new invoice should be printed and attached to any payment being made. If an assessment has already been paid along with the original filing, the amount of the original payment will be reflected on the new invoice. If the new assessment is less than the original amount, a written request may be submitted to FSCO asking for a refund of the overpayment.