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## 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](#)

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