



SECTION:	Funding of Plans
INDEX NO.:	F800-100
TITLE:	Contribution Holidays For Plan Members, Employee Contributions, Payroll Deductions
APPROVED BY:	Superintendent of Financial Services
PUBLISHED:	October 1992 - PCO Bulletin 3/2
EFFECTIVE DATE:	When Published [references updated – June 2008]

Note: Where this policy conflicts with the Financial Services Commission of Ontario Act, 1997, S.O. 1997, c. 28 (FSCO Act), Pension Benefits Act, R.S.O. 1990, c. P.8 (PBA) or Regulation 909, R.R.O. 1990 (Regulation), the FSCO Act, PBA or Regulation govern.

*Note: The electronic version of this policy, including direct access to all linked references, is available on FSCO's website at www.fSCO.gov.on.ca. All pension policies can be accessed from the **Pensions** section of the website through the **Pension Policies** link on the left side of each page.*

In Ontario can employers give their employees a contribution holiday if surplus exists in the plan?

Yes. Employers can provide a contribution holiday for their employees by amending the plan document. The amendment must indicate that member contributions are suspended for a specified period and will not be deducted at source. In doing so the employer agrees to fund all benefits, for the period indicated, from surplus in the plan.

What is the status of employee contributions between the time they are deducted at the source and the time they are remitted to the plan?

Sponsors of contributory plans are required to remit employee contributions to the plan within 30 days following the month in which the deduction was made. Between the time employee contributions are deducted and remitted to the plan, monies are deemed to be held in trust by the employer.