

The Pension Benefits Act, 1992

Pension plan members who work in Saskatchewan are governed by *The Pension Benefits Act, 1992* unless they work in federally regulated industries, such as banking, communications or transportation, or are members of certain provincial or Crown corporation pension plans.

The Act provides minimum standards for pension plans such as:

- eligibility for membership;
- vesting and locking in of benefit entitlements;
- survivor benefits;
- portability of benefits from one employer to another; and
- the solvency of pension plans.

More information about these terms is available in "Understanding *The Pension Benefits Act, 1992*: A Guide for Members".

The Superintendent of Pensions administers the Act. An employer who elects to sponsor either a defined benefit plan or a defined contribution pension plan must register the plan with the Superintendent to ensure that it complies with the Act's provisions. Group Registered Retirement Savings Plans are not subject to the Act.

The Act imposes administrative and fiduciary obligations on plan administrators to ensure that plan members' benefit entitlements are protected.

All contributions must be held in trust and remitted to a plan's fund holder within the prescribed time periods. The funds must be held separate and apart from the assets of an employer so that the members' benefit entitlements will be protected if the business fails. No funds, including surplus funds, may be paid out of the plan to an employer without the Superintendent's consent. The Superintendent ensures compliance by requiring the periodic filing of documents, such as annual information returns and actuarial valuations.

Pension legislation further protects members' benefits by setting standards for the investment of pension funds. For example, to ensure diversification, no more than ten per cent of a pension fund can be invested in the securities of any single company. Special rules also apply to particular types of investments such as real estate.

Pension benefits are protected from creditors and cannot be assigned. However, on the breakdown of a spousal relationship, pension benefits are subject to an order or interspousal agreement made under *The Family Property Act* and to attachment under *The Enforcement of Maintenance Orders Act, 1997* for the purposes of enforcing a maintenance order.

The Superintendent may:

- conduct investigations;
- enter premises;
- require the production and inspection of records and documents;
- make application to the courts for orders of enforcement; and
- cancel registrations.

The Superintendent may also place a plan under trusteeship where he or she believes the plan is not being administered in accordance with the Act or where the interests of plan members are in jeopardy.