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Records Retention Guideline (Pensions)

Administrators of BC Registered Pension Plans

Contents

Introduction	1
Legislated Requirements for Record Retention	1
Pension Plan Records	2
Retention Periods	2
How Should Records Be Kept	4
Retention of Records After Plan Merger	4
Retention Of Records After Plan Wind-Up	5
Responsibilities Of Other Pension Stakeholders	5
Participating Employers	5
Plan Member and Others Entitled to Benefits	6



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Introduction

Pension plans are long term ventures. Even if a plan terminates, pensions and benefits related to that pension plan will continue for as long as a former member or surviving spouse lives. That is why it is important that the records related to a pension plan and the pension funds are managed and retained for the long term. Records must be available at any point in time to satisfy affected stakeholders that the plan has been administered and benefits paid in accordance with the provisions of the plan text document and the legislation.

This guideline outlines the requirements and provides suggestions related to pension plan records management as set out by the [Pension Benefits Standards Act \(PBSA\)](#) and the [Pension Benefits Standards Regulation](#). Further, the guideline summarizes the legislative requirements that apply to the subject matter, and includes, as applicable, additional details to outline the expectations and requirements of the Superintendent of Pensions (the Superintendent), where such authority has been provided by the legislation.

The PBSA and the Pension Benefits Standards Regulation should be used to determine specific legislative requirements. However, please be advised that this document should only be used as a general guideline in respect of section 34 of the PBSA, interpretation only, and does not replace or supersede any legislative requirements or procedures.

Legislated Requirements for Record Retention

Section 34 of the PBSA sets out the requirements for the retention of records. Administrators, participating employers, fundholders and any other prescribed person who have custody or control of any records relating to the plan are required to retain the records or copies of the records in Canada. It is important to note that this requirement applies not only to the administrator but also to those who participate in the operation of the pension plan. The records may be either in hard copy or in electronic format as long as they may be easily accessed by any party participating in the operation of the pension plan, including the Superintendent, upon request. Retention of records by a third party does not absolve the administrator from record retention obligations.

Pension Plan Records

Pension plan records include:

- items related to the day-to-day operation of the plan as a whole such as the plan text document, plan amendments, funding agreements, policy statements, policy manuals and any other document related to the provisions, administration, and funding of the pension plan;
- records required by legislation (see examples set out below); and
- individual records, including information about a plan member or other person entitled to benefits under the plan used to determine the value of his or her entitlement and, if applicable, how benefits were paid.

Records referred to in this guideline refer to both current and historic documents.

Retention Periods

Records should be retained for as long as they may have applicability to the plan or to an individual entitled to benefits from the plan, even if the plan has been terminated.

In respect to records related to the plan as a whole, this includes:

- original plan text document and all amendments to and restatements of that document;
- plan fundholder contracts/trust agreements;
- plan establishment records (e.g., collective agreements)
- investment, funding and governance policies, if applicable;
- audited financial statements, if applicable;
- the actuarial valuation reports, if applicable;
- policy and procedure manuals;
- any other prescribed documents that relate to plan administration, funding, and governance.

These documents provide a clear history of plan rules and administration from the plan's inception to the present date, thereby providing the administrator with the information needed to respond to inquiries related to any period during which the plan existed. Records may be needed to ensure that a plan amendment is consistent with the terms of the plan as it existed prior to the amendment, or to demonstrate that a benefit paid or action taken was consistent with the terms of the plan and its supporting documents that were in place at the time that the action occurred.

Individual records pertaining to members, former members, and others entitled to benefit from the plan are also important, both while the individual is an active member of the plan and once the member retires or becomes a

former member, or for a beneficiary of the member on that member's death. The information set out in the record should include, but is not limited to:

- individual name;
- member data with respect to age, service, contributions and spouse's information if applicable;
- beneficiary designation;
- annual statements;
- termination statements;
- retirement statements;
- spousal waivers, if applicable;
- any documents signed by the member, spouse or beneficiary, related to an election made by that individual.

While administrators keep records with respect to active members and pensioners, it is considered reasonable to eliminate certain records with respect to former members once benefits have been paid out (or after a set period from the date of payment).

While there is no prohibition against elimination of records, it is advisable for the administrator to, at a minimum, keep a record summary that shows:

- name of the member or former member;
- date the member joined the plan;
- date the member ceased active membership;
- reason for cessation of active membership;
- benefit entitlement;
- spouse, if applicable;
- designated beneficiary, if applicable;
- payment option elected with respect to a former member;
- if funds were transferred from the plan, where the funds were transferred;
- date of transfer or payment;
- signed spousal waiver, if applicable;
- signed member election of payment option;
- any other items that may be relevant to the member and the benefit entitlement.

Individual records should be retained as long as the member, former member, and his or her beneficiaries or estate have an entitlement under the pension plan or vehicle to which funds were transferred. In this way, if the member, former member, beneficiary or the executor of the estate later questions what has happened to the benefit, the answer is easily accessible.

How Should Records Be Kept

Records may be kept in paper copy or electronically or both. It is important with respect to electronic storage that the proper backup and security measures are taken to avoid losing important documentation or having inappropriate information released (protection of privacy). Also, it is good practice to have evidence or a process in place to substantiate that whatever is kept in electronic format is authentic and has not or cannot be altered. Reference should also be made to the [Electronic Transactions Act](#) to ensure the requirements of that legislation are met when holding documents electronically.

The administrator should have a written policy on records management and retention. This policy should consider the following items:

- types of documents that must be retained and their retention period;
- storage of documents (where and how);
- who may access documents and how documents may be accessed;
- special rules for private and confidential information;
- who is responsible for managing and retaining records;
- audit process, if any;
- record back-up;
- the retention period for each type of record; and
- how documents will be disposed of at the end of their retention period.

The administrator may hire a third party to maintain some or all of the records of the plan. In this case, the contract with the third party should include the items noted above; however, it remains the responsibility of the administrator to ensure that the records are being maintained at the agreed-upon standard.

Retention of Records After Plan Merger

If a merger or successor employer situation occurs, and the assets and liabilities of the predecessor plan are being transferred to the successor plan, then copies of all of the records of the predecessor plan should be transferred to the successor plan administrator.

It is advisable that the predecessor administrator maintains records related to the plan up to the date of the merger. The same requirements apply if there is a change in third party contractors.

Retention Of Records After Plan Wind-Up

When a pension plan is terminated it continues to be subject to the requirements of the Act until all assets and liabilities have been disbursed and the plan is wound up. While plan wind-up does mean that there are no longer any assets and liabilities to be dealt with, it does not mean that questions about the payment of benefits will not arise subsequent to the wind-up date. For this reason, the administrator should retain records including those related to the plan termination and wind-up for as long as there is potential for questions about the plan or benefits from the plan to arise.

Responsibilities Of Other Pension Stakeholders

PARTICIPATING EMPLOYERS

When an employer participates in a plan and is not the administrator as is the case in collectively bargained multi-employer plans (CBMEPs), non-collectively bargained multi-employer plans (NCBMEPs), or plans under which the employer has delegated administration to a third party, the participating employers are responsible for providing information to the administrator.

In the case of CBMEPs, the participating employers should maintain a record of remittance of contributions to the administrator showing how much was remitted and who it was remitted for.

In the case of NCBMEPs, in addition to the above information, the participating employer is responsible for providing the administrator with all required data related to each member in their employ and ensuring that the information remains current. Copies of all information provided to the administrator should be retained by the participating employer.

Where a third-party contractor has been hired by a plan sponsor, the employer is responsible for providing the administrator with all required data related to each member in their employ and ensuring that the information remains current. Copies of all information provided to the administrator should be retained by the participating employer.

Participating employers should also have policies on how records are to be kept and retention periods required, similar to the [policy](#) described above for administrators.

PLAN MEMBER AND OTHERS ENTITLED TO BENEFITS

Individuals entitled to benefits or who have received benefits from a pension plan should maintain their own records to ensure that benefits have been properly calculated and paid. These records include at a minimum:

- annual statements;
- termination, retirement or death benefit statements;
- copies of any signed spousal waiver forms;
- copies of any signed option election forms;
- copies of any beneficiary designation forms; and
- copies of employee booklets and plan explanations

Annual statements should be reviewed by the member when received to ensure that the information that the administrator has on file is up-to-date and accurate and that any corrections are provided to the administrator in a timely manner.



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