



## Policy Bulletin #27

# Guidelines for Filing Annual Actuarial Valuations

Issued December 2005/Revised December 2006

Section 14(3)(b) of the *Employment Pension Plans Act* (the Act) provides the Superintendent with the authority to request an actuarial valuation report be filed by a pension plan administrator at any time. This bulletin outlines the Superintendent's requirements regarding the filing of annual valuation reports.

The Superintendent will notify pension plans that have either a going concern funded ratio or a solvency ratio of less than 0.8500 that they will be required to file an annual actuarial valuation with the Superintendent until the funded and solvency statuses of the pension plan climb above the indicated targeted ratios.

The following types of plans will be required to file an annual actuarial valuation only if the *funded* ratio is less than 0.8500:

- a) Plans that have been designated by the Superintendent as publicly-funded plans for the purposes of the Act and Regulation and that have been granted an ongoing exemption from solvency payments by the Superintendent as outlined in [Policy Bulletin #31 - Publicly Funded Pension Plans](#); or
- b) Plans that have been designated by the Superintendent as Specified Multi-Employer Pension Plans (SMEPPs) and that have been granted a temporary suspension of solvency payments as outlined in [Policy Bulletin # 17 - Specified Multi-Employer Pension Plans](#).

In addition to the requirements outlined in this bulletin, the Superintendent may request a valuation at any time as provided for under section 14(3)(b) of the Act.

### Exemptions

#### Option 1 – Additional Contributions

If, **before the annual valuation review date**, an employer makes a contribution to their pension plan so as to raise the going-concern funded ratio and/or the solvency ratio (as applicable) to the 0.8500 threshold or higher, and notifies the Superintendent of this fact by filing an **interim** cost certificate **within 60 days of payment of the contributions**, the filing of an annual valuation report will not be required and the plan will remain subject to the normal triennial valuation schedule. For more information on interim cost certificates, please see [Policy Bulletin #38 – Cost Certificates](#).

## **Option 2 – Credit Rating**

The Superintendent may provide an exemption from this policy, provided the following criteria are met:

- a written application for exemption has been submitted by the plan sponsor *in advance of* the review date of the annual valuation;
- satisfactory evidence has been provided from at least two recognized rating agencies, that the *plan sponsor's* credit rating is at least one grade above that considered to be minimum investment grade;
- all filings with the Superintendent are up to date; and
- an audited financial statement of the fund for the most recent fiscal year-end has been filed.

Pension plans that continue to exhibit funding levels below the targeted amounts may be subject to further review and examination by the Superintendent in accordance with section 90 of the Act.

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