



Instructions for a Joint Annual Information Return

Filing of Annual Information Return

An Annual Information Return (AIR) must be filed by the administrator of a pension plan pursuant to ss. 11(4) of *The Pension Benefits Act, 1992* (the "PBA92") and the *Income Tax Act* (Canada) (the "ITA"). The information on Schedule A is collected solely under the authority of the *ITA* and will not form part of the Saskatchewan Financial Services Commission's plan file.

The AIR and Schedule A must be filed with the Superintendent of Pensions, Saskatchewan Financial Services Commission, not later than 180 days after the end of the plan year to which it applies or, where the plan is terminated, within 60 days after the termination of the plan. Late filings are subject to financial penalties under ss. 162(7) of the *ITA*. In addition, registration of the plan may be revoked under ss.147.1(12) and (13) of the *ITA* if the AIR is filed late.

The AIR must be accompanied by a remittance, payable to the Minister of Finance of Saskatchewan, covering the fee specified in s. 5 of *The Pension Benefits Regulations, 1993*. This fee depends on the number of active members in the plan as at the last day of the plan year covered by the return, in accordance with the schedule shown below and is payable at the time of filing. A "member" is defined as an employee who has made contributions to the plan, or on whose behalf an employer was required by the plan to make contributions to it, and who has not terminated his or her membership in the plan or commenced his or her pension. It does not include deferred members who have terminated employment but have funds remaining in the plan. However, in the case of a specified multi-employer plan, a member would include a former employee who is no longer making contributions to the plan, or on whose behalf an employer is no longer making contributions to the plan, but who has not yet terminated his or her membership in the plan, or commenced his or her pension.

Number of Plan Members	Annual Fee Payable (GST Exempt)
0 – 20	\$100.00 (minimum)
21 – 999	\$5.00 per member
1000 and over	\$5,000.00 (maximum)

Explanation of Sections

- 1 Saskatchewan registered plans no longer have separate provincial registration numbers. Plans are identified by the Canada Revenue Agency seven-digit registration number only.
- 2 The AIR should cover a twelve-month period, ending on the plan's year end as specified in the pension plan text, unless the plan has terminated during the plan year.
- 3 The person or other prescribed body legally responsible for administering the plan.
- 5 This section must include information on any regular or ad hoc inflation increases or other increases given to pensioners who are receiving pensions under the plan.
- 6 & 7 *The contributions reported in these sections should be those related to the plan year covered by this return, whether actually paid within that year or within such other period allowed by the PBA92.*
- 7(a) Enter the total amount of contributions **due** to the plan from the employer or employers, even if surplus assets or unvested forfeitures were used to provide those contributions, in whole or in part. Do not include special payments made to amortize unfunded liabilities or solvency deficiencies in this section.
- 7(b) Enter the amount of any surplus assets used to reduce the required employer contributions.

Section

7(c) Enter the amount, if applicable, of any unvested forfeitures used to reduce the required employer contributions. If a defined contribution plan so permits, credits resulting from unvested forfeitures can be used to reduce the employer contributions. "Unvested forfeitures" are required employer contributions, and the interest accrued on those contributions, which were made on behalf of a former employee and to which the former employee has no entitlement on termination of membership.

7(d) Enter the net employer contributions paid to the plan, after deducting any amounts entered in lines (b) or (c).

9 Special payments apply to plans that have defined benefit provisions. They do not apply to plans providing benefits based only on a defined contribution (money purchase) or profit sharing formula.

Each unfunded liability or solvency deficiency must be shown separately and not combined with any other unfunded liability or solvency deficiency. Payments made in the plan year covered by the return should be equal to the amounts required in the most recently filed cost certificate or actuarial valuation. Please attach an explanation of any variance from those amounts.

10(a) The number of active members at the plan's previous year end is the number reported in the last filed AIR.

10(d) The number of retirements should include normal, early, postponed, special and disability retirements that occurred during the plan year.

10(f) Enter the number of members who have terminated membership in the plan during the plan year. Do not include members on lay-off who have not terminated their membership in the plan.

10(g) Enter the total of lines (d), (e) and (f).

10(h) Subtract the number reported in line (g) from the number reported in line (c).

10(i) Enter the number of pensioners and beneficiaries in receipt of a benefit paid directly from the pension plan.

10(j) Enter the number of former members and beneficiaries, who have terminated membership in the plan and have a vested entitlement to a future benefit from the plan.

11(4) Column 4 is designed to capture any members reported in columns 2 and 3 **who fall under the definition of "Included Employment"**. If the plan has any members working in "Included Employment", please report the total number (male plus female) by province in this column.

"Included employment" is employment in connection with the operation of any work, undertaking or business that is subject to the authority of federal legislation. Employment in the following types of businesses/activities falls into the category of included employment:

- air, water, railway transport
- atomic energy
- chartered banks
- employment in the Northwest Territories and/or the Yukon Territory
- First Nations organizations that receive certain types of federal funding
- flour, feed or seed mills
- interprovincial trucking
- radio, television or telegraph

12 Do not include investment expenses (brokerage, investment management or custodial fees) or administrative expenses paid directly by an employer or employers. Administrative expenses are generally related to:

- the collection of contributions
- the calculation and payment of benefits
- the general administration of the plan including expenses related to providing information to members
- the purchase of office supplies and computer equipment

Section

- 13(a) An administrator of a plan must establish a written statement of investment policies and procedures in respect of the plan's portfolio of investments and loans. The administrator must ensure that the plan's statement of investment policies and procedures was written having regard to all factors that may reflect on the funding and solvency of the plan and the ability of the plan to meet its financial obligations. The written statement should include:
- a description of the factors taken into account when establishing the statement, including the type of pension plan and the nature of the plan's liabilities;
 - the categories of permitted and prohibited investments and loans, including derivatives, options and futures;
 - the diversification requirements of the investment portfolio;
 - the asset mix policy and the rate of return expectations;
 - the plan's liquidity requirements;
 - a policy with respect to the lending of cash or securities;
 - a policy with respect to the retention or delegation of voting rights acquired through plan investments;
 - the method of, and basis for, the valuation of investments that are not regularly traded at a public exchange;
 - a policy with respect to permitted related party transactions, including the criteria used to establish whether a transaction is nominal or immaterial to the plan; and
 - a policy with respect to conflict of interest, including criteria for the disclosure of conflict of interest.
- 13(b) All plans are required to have a statement of investment policies and procedures. The administrator shall review and confirm or amend the statement of investment policies and procedures at least once each plan year.
- 13(c) Indicate if a change was made to the existing fund holder arrangements and, if applicable, confirm that the new policy or trust agreement has been filed with our office.

Canada Revenue Agency - Schedule A

Questions relating to sections 15 to 31 inclusive should be directed to Canada Revenue Agency at Registered Plans Directorate, General Enquiries Services at (613) 954-0419.

- 15 Enter the total amounts transferred into the pension fund from other RPPs, DPSPs and RRSPs.
- 16 Enter the total amount of benefits paid to beneficiaries.
- 17 Enter the total amount of all transfers to other plans including RPPs, RRSPs, LIRAs, LIFS, LRIFs and RRIFs.
- 18 Enter the net investment earnings or losses.

Note that the sum of sections 15 to 18 may not equal the difference in the asset values at the beginning and end of the plan year.

- 19 Enter the market value of assets at the beginning of the plan year, (for public sector plans only, provide the book value when the market value is unavailable).
- 20 Enter the market value of assets at the end of the plan year, (for public sector plans only, provide the book value when the market value is unavailable).

Section

- 21 Enter the total actuarial liability based on a funding method that matches contributions with accrued benefits on a reasonable basis.
- 22 Enter the date of the last calculation of actuarial liability from plan obligations.
- 23 A plan terminates when contributions have ceased and members have ceased to accrue benefits. An inactive plan is one that has terminated but the total plan funds have not been disbursed.
- 24 An “active member” is an employee who accrues benefits in a defined benefit plan, or who makes contributions or on whose behalf the employer makes contributions to a money purchase plan. According to the *Income Tax Regulations*, a “connected person” is generally one who:
- owns, directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the employer or a related corporation;
 - does not deal at arm’s length with the employer; or
 - is a specified shareholder of the employer by reason of ss. 248(1) of the *ITA*.

For a complete definition, please see ss. 8500(3) of the *Income Tax Regulations*.

After section 25, Multi-employer Plans proceed to section 30 and Specified Multi-employer Plans need not continue. Other plans continue with section 26.

A multi-employer plan (MEP) is a plan for which, at the beginning of the year, it is reasonable to expect that at no time in the year will more than 95% of the active plan members be employed by a single employer or by a related group of participating employers. For a complete definition of a MEP, please refer to section 8500(1) of the *Income Tax Regulations*.

A specified multi-employer plan (SMEP) has the following characteristics:

- the plan is a MEP; (see definition above)
 - employers participate in the plan under a collective bargaining agreement and contributions are according to a negotiated formula;
 - employer contributions are based on hours worked by employees or some other similar measure;
 - all or nearly all (90% is acceptable) of the employers are taxable entities; and
 - it is expected that at least 15 non-related employers will contribute to the plan in the year, or at least 10% of the active members of the plan will be employed in the year by more than one participating employer.
- 29 If the plan sponsor is a corporation, indicate if the corporation underwent a change of control during the plan year. If the sponsor is not a corporation, check the box for “Not Applicable”.

Filing the Completed Forms

Please forward the completed AIR and Schedule A, along with the applicable filing fee, within the prescribed period to:

Pensions Division
Saskatchewan Financial Services Commission
Suite 601, 1919 Saskatchewan Drive
REGINA SK S4P 4H2

Tel: (306) 787-7650
Fax: (306) 787-9006

