



SECTION: Gradual and Uniform

INDEX NO.: G100-701

TITLE: Benefit Accrual in a MEPP - Clarification

APPROVED BY: Superintendent of Financial Services

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See also G100-700

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.*

FSCO administrative practice under policy G100-700 (Benefit Accrual – Application to MEPPs) deals with benefit accruals which are determined in accordance with a schedule that is based on a band of hours worked within a specified period of time. Negotiated benefit schedules under MEPPs are used as examples. Is a benefit schedule that is not acceptable under a MEPP, acceptable for registration as part of a single employer plan?

No. MEPPs were highlighted in the administrative practice because this type of plan is more likely to associate benefit accrual with hours of employment. The administrative practice indicates that benefit schedules based on bands of hours which are not truly reflective of the actual hours each member works are not accepted by FSCO. This applies to every MEPP or employer-sponsored pension plan that establishes hours of employment as the base for determining benefit accrual or required contributions.