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.