



SECTION: Interest

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- O. Reg. 708/87 ss. 21(2)

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Taken from the "Your Questions Answered" column published in the PCO Bulletin. Please see the disclaimer at the beginning of the directory.

Note: Due to legislative changes, the references to the "PCO" should now read "FSCO".

What is the PCO's policy concerning the crediting of interest on employee contributions?

Subsection 21(2) of the Regulation provides that a plan must credit interest, not less frequently than annually, with either the fund rate or the five-year personal fixed term deposit rate (this rate is the chartered bank deposit rate, and is published in the monthly *Bank of Canada Review*). However, the pension plan must select which method is to be used and apply it consistently. The method selected can only be changed by a plan amendment.