



Pension Commission of Ontario
Commission des régimes de retraite de l'Ontario

SECTION: Wind Up
INDEX NO.: W100-125
TITLE: Employer Intention Respecting Surplus in a Wind-up Report
APPROVED BY: The Superintendent of Pensions
PUBLISHED: Bulletin 2/2 (July 1991)
EFFECTIVE DATE: When Published [Information outdated - Feb. 2000]

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

Compliance Assistance Guideline #4 Revised -- A Guide to the Wind Up of a Pension Plan -- states that the Administrator of a plan in the process of full or partial wind up should disclose intentions with respect to the proposed handling of surplus in the wind up report. Does this mean that Administrators must state how the surplus will be allocated and distributed, or can they simply report that they will not be dealing with the surplus at that time?

Administrators are not required to state how surplus will be allocated and distributed if they do not wish to deal with the issue at that time. A statement to this effect in the wind up report is sufficient to consider the question "handled".

Clarification

In the July, 1991 Bulletin, one of the questions dealt with the pension plan Administrator disclosing intentions with respect to surplus in the wind-up report. The answer was given that the Administrator could simply state that surplus was not being dealt with at that time. However, it should be clarified that the PCO does expect the Administrator to identify the existence of the surplus and to state what their intention is, i.e. distribute or leave it in the plan. It should also be noted that if PCO staff are of the view that surplus entitlement is clearly to the members, the sponsor will be required to deal with the surplus issue at the time of the wind-up.

PCO Staff comment in Summer 1996: Please note that CAG #4 was replaced by W100-101.