



GENERAL

The Summary of Contributions / Revised Summary of Contribution (Form 7) is required to be filed by pension plan administrators pursuant to the Ontario *Pension Benefits Act*, R.S.O. 1990, c. P.8, as amended (PBA) and Regulation 909, R.R.O. 1990, as amended (Regulation).

Section 56.1(1) of the PBA provides that the plan administrator shall give the trustee(s) of the pension fund a summary of contributions required to be made for the pension plan, in the prescribed manner and within the prescribed period. Also, section 6.2(2) of the Regulation provides that if there is a change in the summary of contributions, the administrator is required to give the trustee(s) of the pension fund a revised summary of contributions within 60 days after the administrator becomes aware of the change. Section 6.2(3) of the Regulation requires the summary or revised summary of contributions to be in a form approved by the Superintendent of Financial Services (Superintendent) (i.e., Form 7).

Section 6.2(5) of the Regulation provides that if a contribution is not paid when it becomes due, the trustee(s) of the pension fund is required to notify the Superintendent within 60 days after the date on which the contribution became due.

Section 56.1(2) of the PBA, in combination with section 6.2(4) of the Regulation, require the trustee(s) of the pension fund to notify the Superintendent within 30 days after the day on which the summary was required to be given, if a Form 7 is not submitted by the plan administrator by the due date.

Note: The summary of contributions provisions in the PBA and Regulation currently does not apply to plans that meet the definition of a multi-employer pension plan and as described in section 49.1 of the Regulation.

IMPORTANT

- The pension plan administrator must complete a Form 7/revised Form 7 and provide it to the trustee(s) of the pension fund:
 - ✓ within 90 days after the plan is established, for the first fiscal year of the plan;
 - ✓ within 60 days after the beginning of each subsequent fiscal year;
 - ✓ within 60 days after the administrator becomes aware of any change in the summary of contributions (as specified in section 6.2 of the Regulation);
 - ✓ when an amendment to the pension plan alters payments (i.e., a cost certificate is filed with the Financial Services Commission of Ontario);
 - ✓ when there is a business transaction that affects the plan (e.g., sale of business or merger);
 - ✓ for any period following the plan wind-up date during which contributions are required (e.g., to fund a deficit);
 - ✓ when there is a material variance (10% or more) between the estimated and actual payments on an ongoing basis.
- Where the pension plan administrator and the pension fund trustee are the same entity, the plan administrator must prepare the Form 7 for each fiscal year of the plan, in the prescribed manner and within the prescribed period.
- Where there are pension fund trustee(s) other than the pension plan administrator, the pension plan administrator must prepare the Form 7 for each fiscal year of the plan, in the prescribed manner and within the prescribed period, and provide a separate Form 7 to each trustee of the pension fund.
- Where the plan is a hybrid or combination defined benefit/defined contribution pension plan with separate trustees for each component of the pension fund, a separate Form 7 must be provided to each of the trustees.

ANSWER ALL APPLICABLE QUESTIONS

Question 1 – Provide the legal name of the pension plan. This information can be found in the pension plan document.

Question 2 – Provide the pension plan registration number.

Question 3 – Provide the start and end dates of the period covered by the Form 7/revised Form 7. This is based on the fiscal year of the pension plan. This information can usually be found in the pension plan document.

Question 4 – Identify whether this is a **new** Form 7 for the fiscal year or a **revised** Form 7 for the fiscal year identified in question 3.

Question 5 – Provide the date the Form 7 or revised Form 7 is required to be submitted to the trustee(s) of the pension fund.

Question 6 – Select the most appropriate response with regard to the plan type:

(a) Indicate the plan type.

(b) Indicate whether each benefit component of the plan is contributory or non-contributory and whether additional voluntary contributions are permitted to be made by employees.

Note: The term 'contributory' applies if employees are required to contribute to the pension plan. Additional voluntary contributions are any additional contributions that are voluntarily contributed by employees and which do not result in additional contributions by the employer.

(c) If the plan is a Combination or Hybrid plan, select the most appropriate response for each component.

(d) Provide details of the plan type if it is not covered under (a), (b) or (c).

Question 7 – If the plan is a Combination or Hybrid plan, identify the component (DB or DC) that applies to the Form 7/revised Form 7.

Question 8 – Provide information about the pension fund trustee (corporate trustee/insurance company/custodian). If the pension fund has more than one trustee, a separate Form 7 must be prepared for each trustee and the information provided must correspond to the portion of the pension fund held by that trustee.

Note:

Section 22(6) of the PBA in combination with section 54 of the Regulation provides that a pension fund shall be administered only: (i) by a government; (ii) by an insurance company; (iii) by a trust corporation, corporate pension society, or three or more individuals, appointed pursuant to a written trust agreement; (iv) under the *Government Annuities Act* (Canada); (v) by a board, agency, commission or corporation made responsible by an Ontario statute for the administration of the pension fund; or (vi) any combination referred to in (i) through (v).

(a) Provide the name and address of trustee of the pension fund. Click on the + sign to add space if you need to provide information about more than one trustee.

Note: Complete (b) **only** if the plan is a Combination or Hybrid plan.

(b) If the trustee is different for each component, provide the name of the trustee for each one.

Question 9 – Identify the pension plan administrator and provide contact information. For information on who can be a plan administrator, see section 8 of the PBA.

- Question 10** – Complete this question only if you have identified this Form as a ‘revised’ Form 7 in question 4:
- (a) Provide the date that the earlier Form 7 was provided to the trustee of the pension fund. This date can be found in the Certification section of the earlier Form 7.
 - (b) Provide an explanation for revising the earlier Form 7.

Note:

If there is a change that will impact the summary of contributions on an ongoing basis, including plan information change, or the trustee(s) of the pension fund has changed, the administrator is required to give the trustee(s) of the pension fund a revised Form 7 within 60 days after becoming aware of the change.

A revised Form 7 is required when there are changes to the plan or events which materially affect the required contribution levels. Such circumstances may include:

- the wind up of the plan;
- merger, sale or transfer of plan assets;
- change in salary base or hours worked;
- a contribution holiday; or
- any plan amendment that alters the plan’s contribution and funding levels, such as benefit improvements, early retirement windows, changes to the contribution rate, a change from non-contributory to contributory, plan conversion, etc.

However, if the changes to the plan contributions are determined to be temporary in nature (i.e., only affect contribution levels for a few periods), the administrator should provide the trustee with a reasonable explanation for the changes in contributions when the contributions are submitted, in lieu of a revised Form 7.

Some examples of reasonable explanations for contribution variances are:

- a number of employees were laid off, on maternity or unpaid leave, or terminated during the payment period;
- there were more or less pay periods than estimated in a particular month;
- unaccounted employee bonuses/commissions were paid during pay period;
- there were unanticipated changes in working hours (overtime, extra shifts, etc.).

Furthermore, when required contributions remitted to the fund deviate materially from the estimated amounts in the Form 7 provided to the trustee(s) of the pension fund by 10% or more of the estimated amount, this may trigger further investigation by the trustee of the pension fund. If the 10% or more deviation in contributions is determined not to be temporary in nature, a revised Form 7 should be submitted to the trustee(s). For temporary deviations, the administrator should provide the trustee with reasonable explanations for the deviations when the contributions are submitted.

Question 11 – Provide the effective date of the actuarial valuation report or cost certificate that was used to complete the contribution requirements in question 12. For plans with only defined contribution provisions, check the ‘Not Applicable’ box.

Question 12 – Provide the estimated employee and employer contributions for the fiscal year of the plan identified in question 3, separated into monthly or other periodic estimated amounts.

Note:

The **Month/Period** should indicate the start and end dates of either the month or the period in which the contributions are deducted by the employer from members’ remuneration. The contribution periods may be pay periods instead of calendar months, as unnecessary deviations may arise if there is no alignment between the Form 7 and the actual contribution periods.

Estimated employee contributions and estimated employer contributions should be reasonable estimates of contributions required to be remitted to the trustee of the pension fund identified in question 8, based on relevant information such as the funding requirements as specified in the current actuarial reports, anticipated payroll, membership, or number of hours worked. Estimates of contributions may take into account cyclical fluctuations in contribution levels or anticipated variations in contribution levels due to unusual circumstances.

Estimated employee contributions include employee required contributions and employee additional voluntary contributions, if any:

- **Employee required contributions** are the contributions, if any, required to be made by the plan members in respect of the reporting period as set out in the current pension plan text filed with FSCO.
- **Employee additional voluntary contributions** are any additional contributions voluntarily contributed by members in respect of the reporting period which do not result in additional contributions from the employer. Although employee additional voluntary contributions are reported in question 12, they should not be included in the 'Total Estimated Required Contributions' column.

Estimated employer contributions include employer current service (normal cost) contributions, and special payments, if any:

- The **employer current service cost or normal cost** is the employers' portion of the cost of pension and ancillary benefits accrued during the reporting period.
- **Special payments** are the contributions required to be remitted to the pension fund to cover any unfunded liabilities or solvency deficiencies, as determined by the actuary in accordance with the Regulation.

Estimated employee contributions and estimated employer contributions must be remitted to the pension fund by the **Expected Remittance Date** (i.e. the timelines prescribed by the Regulation).

Expected Remittance Date is the date by which contributions are required to be remitted to the pension fund as per the Regulation. These are:

- member/employee contributions – within 30 days after the end of the month in which contributions are received by the employer or deducted by the employer from a member's remuneration;
- employer current service (normal cost) – in monthly instalments, within 30 days after the end of the month for which the contributions are payable;
- special payments – in equal monthly instalments, no later than the end of the same month in which the special payment is due.

Question 13 – Select the most appropriate response where it has been determined that no employee or employer contributions are required to be remitted to the pension fund, (e.g. actuarial gains, forfeitures of non-vested employer contributions, prior year credit balance applied to reduce employer normal cost contributions, contribution holiday, cessation of future benefit accruals during the reporting period, etc.).

- If the plan is in a surplus position AND on a contribution holiday:
 - provide the start date of the contribution holiday;
 - provide the end date of the contribution holiday;
 - provide the effective date of either the actuarial valuation report or the cost certificate used.
- If the plan is in a surplus position and NOT on a contribution holiday:
 - provide the effective date of either the actuarial valuation report or the cost certificate used.
- If the plan is using a prior year credit balance:
 - provide the effective date of either the actuarial valuation report or the cost certificate used.
- Provide an explanation of any other reason for determining that contributions are not required to be remitted to the pension fund during the reporting period.

Certification – The Form 7 must be certified by the authorized representative of the plan administrator. The authorized representative certifies the completeness and accuracy of the information provided in the Form 7, and that the contribution amounts provided in the Form 7 are reasonable estimates for the reporting period.