



| | |
|--------------|---|
| SECTION: | Procedures – Applications |
| INDEX NO.: | P510-403 |
| TITLE: | Process for Reviewing Defined Benefit Pension Plan Applications and Service Targets |
| APPROVED BY: | Superintendent of Financial Services |
| PUBLISHED: | FSCO website (June 2010) |
| UPDATED: | July 2, 2010 [references updated - December 2014] |

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.

Following extensive consultations, FSCO has developed two processes for reviewing and approving defined benefit (DB) pension plan applications, depending on whether an application is determined to be complete and compliant, or incomplete and/or non-compliant. The purpose of this policy is to explain these processes and set out the steps for each.

For the purpose of this policy, a complete application is an application that has no missing documents or information. A compliant application is an application that complies with all legislative and policy requirements.

The highlights of the new processes are:

- FSCO will strive to review and approve **complete and compliant** applications in accordance with its service targets.
- If an application is incomplete and/or non-compliant, an applicant will have one opportunity to address any completeness and/or compliance issues. If an application remains incomplete and/or non-compliant, a meeting or conference call may be held to discuss

outstanding issues. If the application remains incomplete and/or non-compliant, FSCO will issue a Notice of Intended Decision (NOID) to refuse the application. The applicant may apply to the Financial Services Tribunal for a hearing on the NOID.

- If an objection to an application is raised by any person who has an interest in the application while it is being reviewed by FSCO, the applicant will have 30 days to respond to the objection. The person who raised the objection will then have 30 days to reply, and may be invited to attend any meetings about the application. FSCO's service targets will be suspended until the objection is resolved.
- If there is a prior transaction related to the application, FSCO will not delay processing the application if the prior transaction does not significantly affect its review. If the prior transaction does significantly affect the application, FSCO may refuse to process the application until the outstanding transaction is resolved.

Process for Complete and Compliant DB Applications

The process consists of the following steps:

1. The applicant submits a pension plan application. Only one copy is required unless the application requires a trust law analysis (for example, application for surplus withdrawal), in which case two copies are required.
2. FSCO reviews the application to ensure it is complete and compliant, including ensuring that all supporting documents have been filed.
3. If the application is found to be complete and compliant, FSCO will approve it by letter or in a NOID.

Process for Incomplete and/or Non-compliant DB Applications

The process consists of the following steps:

1. The applicant submits a pension plan application. Only one copy is required unless the application requires a trust law analysis (for example, application for surplus withdrawal), in which case two copies are required.
2. FSCO reviews the application to ensure it is complete and compliant, including ensuring that all supporting documents have been filed.
3. If the application is found to be incomplete and/or non-compliant, FSCO sends a compliance and/or completeness letter to the applicant (and other parties, if required) with a copy to the administrator. The letter will specify that the applicant has 60 days to respond to the completeness and/or compliance issues.
4. The applicant responds to FSCO's completeness and/or compliance letter.

5. FSCO reviews the application again to ensure it is complete and/or compliant, including ensuring that all supporting documents have been filed. If the application is complete and compliant, FSCO approves it by a letter or in a NOID.
6. If the application remains incomplete and/or non-compliant, FSCO may call a meeting or hold a conference call with the applicant (including other parties, if affected) to discuss completeness and/or compliance issues and to set out a timeline for resolving the issues.
7. If step 6 took place, FSCO sends the applicant a second completeness and/or compliance letter that summarizes the issues that were discussed at the meeting or conference call, and sets out the agreed-upon steps that will be taken to address these issues.
8. If steps 6 and 7 took place, the applicant responds to FSCO's second completeness and/or compliance letter in accordance with the agreed timeline.
9. If steps 6 through 8 took place, FSCO reviews the application for completeness and/or compliance, including ensuring that all supporting documents have been filed. If the application is complete and compliant as described above, FSCO approves it by a letter or in a NOID. If the application remains incomplete and/or non-compliant, FSCO issues a NOID to refuse the application.

Objections

If at any time during this process an objection is raised by a person who has an interest in the application, the applicant is given 30 days to respond to the objections. The person who raised the objection is then given 30 days to reply. In addition, the person who raised the objection may be invited to attend any meetings about the application. FSCO's service targets will be suspended until the objection is resolved.

Where an objection is raised by a person who has an interest in the application, FSCO will review the application for completeness and compliance and make a decision. The person who raised the objection will be advised of FSCO's decision and what further actions are open to him or her.

Service Targets

FSCO will strive to review and approve complete and compliant DB pension plan applications in accordance with the service targets, posted on the FSCO website ([Defined Benefit Application Processes and Service Targets](#)).

FSCO publishes performance results on an annual basis.