



## Joint Forum of Financial Market Regulators

## Forum conjoint des autorités de réglementation du marché financier

If you sponsor an investment or savings plan for your employees:

You have responsibilities.



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[www.jointforum.ca](http://www.jointforum.ca)

Forum conjoint des autorités de  
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### **Guidelines for Capital Accumulation Plans**

#### **Do you sponsor a capital accumulation plan (CAP) for your employees?**

##### **You do if:**

- You sponsor an investment or savings plan and
- The plan offers two or more investment options for the employees to choose from and
- The plan is tax-assisted

##### **Here are some examples of CAPs:**

- Defined contribution registered pension plans, including simplified pension plans
- Group registered retirement savings plans
- Group registered education savings plans
- Deferred profit sharing plans

#### **If you sponsor a CAP or are thinking about setting up a CAP, you should know about the *Guidelines for Capital Accumulation Plans***

- They apply to all CAPs across Canada
- They do not replace, but supplement legal requirements
- You need to follow them by December 31, 2005

#### **The *Guidelines* set out your rights and responsibilities as plan sponsor. They give you guidance on:**

- Setting up a CAP
- Deciding whether to use a service provider
- Selecting a service provider
- Ensuring your employees get the necessary information and decision-making tools
- Ensuring your employees get regular statements and reports
- Choosing investment options for the plan
- Keeping records
- Terminating an employee's participation in the plan

### **Service providers**

Even if you choose to use a service provider, you are still responsible for ensuring that the service provider fulfills your obligations under the *Guidelines*. Carefully document the decisions you make in setting up and maintaining a CAP, your roles and responsibilities, and what you expect your service provider to do.

### **Defined contribution registered pension plans**

For a defined contribution pension plan, the plan administrator must perform many of the responsibilities attributed to the sponsor under the guidelines. The role of plan administrator may be assumed by various entities including the plan sponsor, a board of trustees, a financial institution (for a simplified pension plan) or a pension committee as defined by pension benefits standards legislation.

### **You need to implement the *Guidelines***

The *Guidelines for Capital Accumulation Plans* reflect the expectations of all Canadian pension, insurance and securities regulators. Review them as soon as possible to find out what those expectations are.

### **Joint Forum of Financial Market Regulators**

The Joint Forum is publishing the *Guidelines*. The Joint Forum is made up of the pension, insurance and securities regulators of Canada. Its aim is to coordinate, harmonize and streamline the regulation of financial products and services in Canada.

### **Find out more**

To get a copy of the *Guidelines*, go to [www.jointforum.ca](http://www.jointforum.ca), click on "Publications" and "Final Documents".