

GUIDE TO COMPLETING THE ANNUAL INFORMATION RETURN

SECTION 1 - PLAN ADMINISTRATOR

- Registration number - number assigned by Canada Revenue Agency.
- The date which is known as the fiscal year end date of the plan as outlined in the plan document. If a change does occur, a plan amendment is required.
- If an administrator is submitting the first Annual Information Return, information entered on the form should be for the period from the effective date of the plan up to the plan year end.
- If the plan has been in effect for less than six months as at the year-end an Annual Information Return will not be required until the following year end.
- If the plan has been in effect for six months or more as at the plan year end, an Annual Information Return will be required for that period.
- If a plan is terminated within three months of the plan year end an Annual Information Return is not required.
- If a plan is terminated more than three months after the plan year end an Annual Information Return is required.
- Indicate the plan administrator as per subsection 28.1(1) of the Act.
- If the administrator is a pension committee, complete Appendix 1.

SECTION 2 - PLAN SPONSOR

- Self explanatory

SECTION 3 – ADMINISTRATIVE DOCUMENTATION

- Self explanatory

SECTION 4 - CONTRIBUTIONS

Member Contributions

- **Member Required:** Monies paid by active member(s) in respect of the year under review. (If members are not required to contribute to the plan, indicate (N/A)).
- **Member Voluntary:** Monies paid by active members on a voluntary basis. Indicate (N/A) if no monies were paid.
- **Optional Ancillary (DB only):** Monies paid by active member in addition to the required contributions to be used to convert to optional ancillary benefits. Indicate (N/A) if no monies were paid.
- **Total:** Add required, voluntary and optional ancillary contributions.

Employer Contributions

- **Employer Required/Normal Cost for DB plans:** Monies paid by the employer in respect of the year under review and which is required under the terms of the plan or agreement.
- For plans with a DB provision, in accordance with the Cost Certificate filed with the commission.
- Surplus - includes any surplus used to offset the normal cost.

Special Payments (Defined Benefits Provision only)

- This section refers to special payments made to or under a pension plan for the purpose of liquidating an initial unfunded liability or solvency deficiency for the period applicable thereto. Also, for reporting any other contributions other than normal cost made to the plan for the year under review. (Please refer to section 4.18 of the regulation for a detailed explanation of this section).
- **Unfunded liabilities:** Results from liabilities established for a new plan at the date registration is applied or benefit improvements to the plan necessitate additional funding.
- **Solvency Deficiency:** Arises when an actuarial valuation shows a deficit.
- **Transfer Deficiency:** Arises when the solvency ratio is less than 1 and is the amount by which the commuted value of a benefit exceeds the product of that commuted and the solvency ratio.
- **Payment due to filing of new valuation:** Contributions required under subsection 4.18(4) of the regulation that are required after an actuarial valuation report is filed under section 4.15 of the regulation including interest.

SECTION 5 - PLAN MEMBERSHIP

- **Number of Active Members:** In (a) this amount should reflect the total number of active members reported in the previous year's Annual Information Return. (If the plan has not been in effect for one year at the time the Annual Information Return is being completed, indicate nil under this section).
- **New Entrants:** In (b) provide the total number of employees who joined the plan during the year under review.
- **Exits:** In (d), (e) and (f) provide the number of members who exited the plan during the year under review, e.g, retirements, deaths and termination of membership.

SECTION 6 - FILING FEE

- Calculate filing fee based on fee schedule.

SECTION 7 - INDEXATION

- Indicate if any adjustments were made to the pensions in payment during the plan year under review and indicate the reason and basis for the adjustment.

SECTION 8 – CERTIFICATION

- Self explanatory

How to Complete the Canada Revenue Agency Schedule

1. Enter the seven digit Canada Revenue Agency Registration Number
2. Note that the sum of line 1 to 4 may not equal the difference in the asset values at the beginning and end of the plan year. Enter the following information:

Line 1 - total amounts transferred in from other RPPs, DPSPs and RRSPs

Line 2 - net investment earnings or net losses

Line 3 - total amount of benefits paid to beneficiaries

Line 4 - total amount of all transfers to other plans including RPPs, RRSPs and RRIFs

Line 5 - market value of assets at the beginning of the plan year, (for public sector plans only, provide the book value when the market value is unavailable).

Line 6 - market value of assets at the end of the plan year, (for public sector plans only, provide the book value when the market value is unavailable).

Line 7 - total actuarial liability based on a funding method that matches contributions with accrued benefits on a reasonable basis.

Line 8 - date of the last calculation of actuarial liability from plan obligations.

3. A plan terminated when contributions have ceased and members have ceased to accrue benefits.

An inactive plan is one that has been terminated by the plan sponsor but the total plan funds have not been disbursed. Examples of inactive plans include those that:

- have no active plan membership, but the employer is continuing to pay pension benefits from the fund;
- are on a paid-up basis but retain registration with the Department.

4. A connected person is generally one who:

- owns directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the employer or a related corporation;
- does not deal at arm's length with the employer; or
- is a specified shareholder of the employer by reason of subsection 248(1) of the *Income Tax Act*.

After Question 5, specified multi-employer plans (SMEP) go to "Certification."

A SMEP has the following characteristics:

In general terms a SMEP is a multi-employer plan where employer contribution rates are negotiated under a collective bargaining agreement and contributions are based on hours worked by an employee. For a complete definition of a SMEP, please refer to section 8510 of the *Income Tax Act*.

After Question 5, multi-employer plans (MEPs) go to Question 9

A MEP is a plan for which, at the beginning of the year, it is reasonable to expect that at no time in the year will more than 95% of the active plan members be employed by a single employer or by a related group of participating employers. For a complete definition of a MEP, please refer to section 8500(1) of the *Income Tax Regulations*.

7. See definition of connected person in Question 4 above.
8. If the sponsor providing the plan is a corporation, indicate if the corporation underwent a change of control during the plan year. When the sponsor is not a corporation, check the box for "Not Applicable."

**If you require more information about this Schedule, please contact the Canada Revenue Agency
General Enquiries service at (613)954-0419**