



BULLETIN NUMBER:	PENS 18-003
TITLE:	Audited Financial Statements
LEGISLATION:	Pension Benefits Standards Regulation
DATE:	April 2018

PURPOSE

This bulletin outlines and clarifies the filing requirements for audited financial statements for pension plans under the Pension Benefits Standards Regulation (PBSR).

BACKGROUND INFORMATION

It has come to the Superintendent's attention that some plan administrators may be unclear on the requirement to file audited financial statements for their plans. This bulletin outlines the legislative requirements for the filing of audited financial statements and clarifies the Superintendent's expectations.

LEGISLATIVE REQUIREMENT

Section 47 of the PBSR reads as follows:

- (1) The administrator of a pension plan must, within 180 days after the end of the plan's fiscal year, file audited financial statements for the plan if
 - (a) the plan text document of the plan contains a benefit formula provision and the market value of the benefit formula component's assets is at least \$10 million as at the plan's fiscal year end, or*
 - (b) the plan is a collectively bargained multi-employer plan.**
- (2) Audited financial statements filed under subsection (1) must be prepared in accordance with the accounting standards contained in the CPA Canada Handbook — Accounting and the CPA Canada Handbook — Assurance, as amended from time to time.*

THE SUPERINTENDENT'S EXPECTATION

As required by section 47 of the PBSR, the Superintendent expects plan administrators to file audited financial statements where required. To help provide clarification in this matter, please note the following :

- All benefit formula (defined benefit or target benefit) plans with assets exceeding \$10 million at the plan's fiscal year-end must file an audited financial statement.
- All Collectively Bargained Multi-Employer Plans (CBMEPs) must file an audited financial statement, without regard to the size of the assets and type of benefits.
- Plans that only have defined contribution (DC) components, and are not CBMEPs, are not required to file audited financial statements.
- Plans with both benefit formula and DC components must file an audited financial statement on the benefit formula component, if the benefit formula component's assets exceed \$10 million. Plans may however choose to file the audited financial statement on the Plan as a whole (benefit formula/DC), but are not required to do so.
- The audited financial statement should be prepared in accordance with the accounting standards contained in the Chartered Professional Accountants (CPA) Canada Handbook. For purposes of submitting the audited financial statement to the Office of the Superintendent of Pensions, administrators are not required to include the liabilities or pension benefit obligations of the plan, but are not precluded from doing so.

MORE INFORMATION

If you have any questions, please contact the Office of the Superintendent of Pensions at Pensions@ficombc.ca or by phone at 604 660-3555.

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