

EPPA Update 14-04 **Audited Financial Statements**

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The rules regarding the filing of Audited Financial Statements have changed with the proclamation of the new *Employment Pension Plans Act* on September 1, 2014.

Section 38(1)(c) requires the administrator to file prescribed financial statements prepared in accordance with prescribed standards. Section 50 of the Regulation prescribes the statements and standards.

Which plans must file a statement? (Regulation section 50(1))

- All collectively bargained multi-employer plans (CBMEPs) must file an audited financial statement. This applies to CBMEPs that have a benefit formula provision, a defined contribution provision, or both a defined benefit provision and a defined contribution provision.
- All other plans that have only a benefit formula provision(s) and whose assets related to the benefit formula(s) are at least \$10 million as at the most recent plan year end must file an audited financial statement.
- All other plans that have only a defined contribution provision are not required to file an audited financial statement.
- All other plans that have both a benefit formula provision and a defined contribution provision need to file an audited financial statement only if the assets related to the benefit formula provision are at least \$10 million as at the most recent plan year end.

What must be filed? (Regulation section 50(1))

The Regulation states that an audited financial statement **for** the plan must be filed, leaving it open for the Superintendent to determine what type of audited financial statement must be filed.

The Superintendent has determined that for **all** plans that are required to file an audited financial statement, what is required as a minimum is an audited financial statement **of the fund** (i.e. assets only. No audit of the pension liabilities or obligations is required). This means that CBMEPs and plans with benefit formula provisions are only required to file audited financial statements of the fund.

This does not preclude an administrator from filing an audited financial statement of the plan (both assets and liabilities) if they so wish, nor does it stop the Superintendent from requiring a plan to file an audited financial statement of the plan if it is deemed that circumstances warrant this type of audit.

For plans other than CBMEPs, all audited statements need only be based on the assets relating to the benefit formula provision. For plans with both a benefit formula provision and a defined contribution provision, there is no requirement to include an audit on the assets pertaining to the defined contribution provision.

When to file

Statements must be filed within 180 days after the plan's fiscal year end.

These new rules apply to all fiscal year-ends on and after September 1, 2014.

For further information please contact:	
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