

Human Resources Legislative Update

FSCO Invites Public Consultation on Recent Changes to SIPP Requirements

Date: July 2, 2015

On June 30, 2015, the Financial Services Commission of Ontario ("FSCO") posted [Investment Guidance Notes](#) on [Environmental, Social and Governance Factors](#) (ESG) and [Statements of Investment Policies and Procedures \(SIPPs\) for Member Directed Defined Contribution Plans](#) for public consultation prior to being finalized.

Investment Guidance Notes set out the expectations of FSCO regarding the investment of registered pension plan assets by pension plan administrators and their related investment obligations under the *Pension Benefits Act* ("PBA") and its regulations.

Pursuant to section 78(3) of Regulation 909 made under the PBA, effective January 1, 2016, SIPPs must specify whether ESG factors have been incorporated into a pension plan's investment policies and procedures, and if so, how. The Guidance Note on ESG factors provides background information on these factors as well as guidance for plan administrators on the new disclosure requirements under section 78(3).

Effective January 1, 2016, pension plan assets must be invested in accordance with the federal investment regulations and the SIPP for the pension plan. As a result of amendments to Regulation 909 and recent changes to the federal *Pension Benefits Standards Regulations, 1985*, the requirements for SIPPs applicable to member directed defined contribution plans have changed. The Guidance Note on the SIPPs for Member Directed Defined Contribution Plans sets out the expectations of FSCO regarding the new requirements of SIPPs pertaining to these types of plans.

The deadline for submissions on the Investment Guidance Notes is August 28, 2015. Comments may be made to FSCO by [email, mail or fax](#).