

GUIDELINE NO. 3

The new standard for capital accumulation plans

The Canadian Association of Pension Supervisory Authorities (CAPSA) has released the final version of Guideline No. 3 (the “Guideline”), marking an important milestone in the evolution of capital accumulation plan governance.

It reflects the expectations of pension regulators and is designed to strengthen best practices in the implementation, administration and supervision of pension plans. It offers plan sponsors and advisors a clearer, more modern framework, better adapted to today’s reality: an environment where plan members are more autonomous, digital tools are omnipresent, and plans are more diversified than ever.

What changes: three key elements of the Guideline

1

Governance and risk management

It provides a clear framework for sponsors to identify, manage and mitigate risks related to the plan.

2

Plan member awareness

It recommends the adoption of tools and practices that help plan members make informed decisions for their financial wellbeing.

3

Oversight of service providers

It strengthens the criteria for selecting, evaluating and monitoring providers, as well as the investment options offered in capital accumulation plans.

Why now?

Since the publication of the first guidelines in 2004, the retirement savings sector has evolved considerably. Here’s why an update was needed:

— **Digital transformation**

Online platforms, mobile applications and automated tools have redefined the plan member experience.

— **Increased plan member responsibility**

Plan members are increasingly assuming responsibility for choosing and managing their investments and require better support.

— **Changes in plan member expectations**

Transparency, personalization and real-time access are now a must.

— **Diversification of plans and savings**

The arrival of new group plans, such as the Tax-Free Savings Account (TFSA) and First Home Savings Account (FHSA), broadens the scope of capital accumulation plans.

— **Growing complexity**

More options, more providers, more fee structures: plans have become more sophisticated.

Why is this important for capital accumulation plan sponsors?

This update helps to:

- Strengthen plan governance and compliance
- Provide better support for plan members
- Adopt the best practices of a flexible, modern regulatory framework



Application

The Guideline readily applies to all capital accumulation plans depending on their type, size, complexity and plan- and sponsor-specific characteristics. It also applies to retirement income options when offered within the plan.

Although the guidelines are not legally binding, they represent a recognized industry standard. Non-compliance may lead to:

- Increased monitoring during audits
- Negative consequences for plan members, such as ill-informed decisions and less advantageous returns
- Reputational risks for organizations

For complete details of the Guideline

Consult the [full document](#) on the CAPSA website.

