Guidance

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Subsection 14(l) of the *Pension Benefits Standards Act, 1985* (PBSA) requires that all employees of a class for which a pension plan is established must be eligible to participate in the plan. The plan text for all pension plans (including pension plans with one or a few members) must include the criteria applicable in determining the class of employees entitled to join the plan.

For example, an acceptable eligibility criterion would be “senior executives of ABC Company but not “designated senior executives of ABC Company”. Similarly, a pension plan established for the president of XYZ Company would satisfy this requirement whereas a pension plan established for Jane Smith of XYZ Company would not. If the pension plan is established for a specific position but will not necessarily be offered to the next person in that position, the name of the person in that position along with the title of the position may be included in the eligibility criteria for the pension plan.

The name of the pension plan should reflect the class of employees eligible to join the pension plan.

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