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President's Blog

Information on Jointly Sponsored Pension Plans

October 16, 2018

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Information on Jointly Sponsored Pension Plans from the Ontario Government website on pensions Financial Services Commission of Ontario (FSCO)
http://www.fsco.gov.on.ca/en/pensions/Pages/Default.aspx

In this blog space I am quoting information from FSCO's website. See the end of the blog space for a link to their glossary of terms.

Quoting FSCO:

"Jointly Sponsored Pension Plans
A jointly sponsored pension plan (JSPP) is a special type of pension plan in which decision making and contributions are shared by both plan members and their employer(s). A JSPP provides defined benefits to plan members and contributions are always made by both plan members and their employers (this is known as a contributory plan).

How JSPPs are Different from Other Pension Plans
There are some key differences in how JSPPs operate, compared to other types of pension plans.

Contributions
If a JSPP becomes underfunded, both plan members and the employer are jointly responsible for making any required additional contributions to deal with the shortage of funds. No reduction in earned pension benefits is permitted, unless the plan is wound up.

Decision Making

Decision making for a JSPP is jointly shared by both the employer(s) and plan members. This includes all decisions about the terms and conditions of the plan, any amendments to the plan, and the appointment of the plan administrator.

JSPPs and the Pension Benefits Guarantee Fund
JSPPs are not covered by the Pension Benefits Guarantee Fund."

Link to FSCO's Glossary of Terms:
http://www.fsco.gov.on.ca/en/pensions/pension-plan-guide/Pages/Glossary.html

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