



Your guide to the most noteworthy changes in Guideline No.3

Canadian Association of Pension Supervisory Authorities (CAPSA) has revised Guideline No.3 Capital Accumulation Plans (CAPs). The guideline provides necessary updates to modernize the guidance based on the current CAP landscape. With a focus on innovation within products, increased plan governance, targeted disclosures to plan members, and changes to the regulatory environment. We're ready to support you in meeting your obligations under the new guideline implementation date no later than January 1, 2026.



Here are the top things you need to know:

Plan Sponsor Responsibilities

- The guideline acknowledges the responsibilities of plan sponsors to their members, as well as their ultimate responsibility for overseeing the plan and any service providers they engage.
- The guideline expands on plan sponsor responsibilities that they should consider or engage a service provider to implement (See section 1.3).
- It suggests plan sponsors conduct periodic reviews of plan features, service providers, investment options, fees, records maintenance, member education and decision-making tools (See section 6).

Plan sponsors & their service providers

- The guideline indicates:
 - Plan sponsors and service providers should have a clear understanding of their roles and responsibilities and what tasks or functions they are agreeing to perform.
 - There are new considerations for plan sponsors when selecting service providers (See section 2.1.5).
 - There are new considerations for plan sponsors that engage service providers to provide financial advice to members (See section 4.4).
 - Service providers should clearly inform plan members whether they are providing investment advice and inform plan sponsors and plan members how the service provider may benefit beyond fees, if applicable.

Governance framework

- The guideline suggests plan sponsors establish a documented governance framework for the plan, appropriate for the plan's size and complexity (See section 2.1.2).

Automatic features

- The guideline suggests plan sponsors consider whether or not to adopt one or more auto features based on the purpose of the plan. It acknowledges that there may be benefits to the inclusion of automatic features (See section 2.1.3).

Investment selection for plan sponsors and members

- The guideline provides updated factors plan sponsors may consider when selecting investment options, funds, and default investments for plan members (e.g., observed member behaviour) (See section 2.2).
- The guideline also provides criteria that may be considered when reviewing investment options (See section 6.4).



Investment information and decision-making tools

- The guideline recommends plan sponsors make available investment information and decision-making tools (e.g., asset allocation, retirement planning tools), to assist members in determining and achieving desired outcomes. Section 4 of the guideline provides details on the type of information and decision-making tools that should be considered and how to decide what should be made available to members in your plan.

Member education & communications

- The guideline recommends plan sponsors adopt an ongoing member education strategy reflecting the purpose and intended outcome for their CAP. The objective is to improve member decisions and outcomes.
- The guideline recommends additional information be made available to members, if applicable (See section 3.1, 3.2, 3.3, 3.4, 4.2 and 5.2).
- There are also new responsibilities included for members (See sections 1.3 and 3.1).
- Plan sponsors are responsible for informing members of any material change in the CAPs purpose or features, in addition to investment options.
- The guideline outlines additional information that plan sponsors should communicate upon termination of a plan member's active participation or termination of a CAP (See sections 7 and 8).

Member statements

- The guideline suggests plan sponsors include new items on member statements (e.g., more detailed investment summary) (See section 5.1.).

Disclosing fees and expenses

- The guideline suggests plan sponsors provide members with information regarding fees and expenses payable, including the services the fees provide and the impact fees may have on potential outcomes (See section 3.4).
- This information should be provided to members:
 - on the introduction of a CAP,
 - when there is a material change to fees/expenses, and
 - at least annually.