

Guideline

Triennial Plan Assessments

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INTRODUCTION

This Guideline informs pension plan administrators (administrators) and interest holders of B.C. Financial Services Authority's (BCFSA) expectations and best practices in the preparation and documentation of the triennial plan assessment. The intent is to support, rather than prescribe, the assessment process and to promote sound pension plan governance.

All administrators are required to self-assess, at least triennially, the effectiveness, quality and performance of the administration of their pension plan, including but not limited to each of the required elements pursuant to Section 41(1) of the Pension Benefits Standards Act (PBSA). The written documentation of the assessment (the written assessment) must be provided to BCFSA upon request.

The depth and level of detail of the written assessment should be proportionate to the plan's size, complexity, and risk profile. BCFSA acknowledges that the method or extent of applying some of the concepts in this Guideline may differ from one pension plan to another. Administrators are encouraged to

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adapt their assessment approach to reflect the plan's specific circumstances. The Appendix includes best practices and a list of common pitfalls BCFSa has observed in filed written assessments that should be avoided.

REQUIRED ELEMENTS

Per legislative requirements, the written assessment must explicitly address, at a minimum, each of the following required elements:

1. Compliance with the PBSA and the Pension Benefits Standards Regulations
2. Governance
3. Funding
4. Investments
5. Performance of trustees (if applicable)
6. Performance of administrative staff and any agents of the administrator (e.g. service providers).

While there may be overlap between the above areas, the written assessment should explicitly and holistically address each required element. For clarity, legal compliance should not be the sole or primary lens for evaluating the plan.

PURPOSE AND OBJECTIVES

The written assessment formalizes a central component of sound pension plan governance: a structured and iterative cycle through which administrators evaluate plan effectiveness and performance, incorporate feedback, manage risk, and drive continuous improvement. While keeping the collective best interests of members and beneficiaries and the plan's objective in mind, administrators should use the assessment to:

- Think critically about how well the plan is managed, governed, and, where relevant, designed.
- Identify opportunities for improvement and enhanced oversight.
- Strategically consider the plan's future direction, priorities, and risk management.
- Demonstrate the care, diligence, and oversight exercised in administering and governing the plan.

The written assessment should reinforce areas of strength, surface emerging issues at an early stage, and support timely, proportionate conclusions and action plans aligned with the plan's size, risk profile, and governance structure.

ASSESSMENT APPROACH AND CONTINUOUS IMPROVEMENT

Use of checklists and questionnaires

The assessment is not a checkbox exercise, and there is no one-size-fits-all approach.

Checklists or questionnaires may be useful tools to gather information or provide structure in the assessment process but should not replace analytical judgment or fiduciary discretion. The written assessment should be substantive, outcome-oriented, and judgment-based, rather than a compilation of checklist responses.

All inputs and principles used in the written assessment should be consistent with the plan's established policies and procedures, with any improvements identified reflected in updated policy documentation.

Summaries of key findings, conclusions, and action plans

For each required element (and any additional element considered by the administrator), the written assessment should include a summary that clearly articulates:

- Areas of strength and effective practices that should be reinforced
- Lessons learned (e.g., from material incidents or member complaints)
- Risks, gaps, issues, or opportunities for improvement or increased oversight
- Descriptions of any material challenges or emerging risks, their outlook, and how they are being managed
- Overall conclusions and judgements, with clear rationale
- Action plans that outline responsible parties, timelines, and how progress will be monitored

Follow up and accountability

The written assessment should demonstrate accountability by clearly explaining how issues or opportunities identified in the previous assessment were addressed or have evolved, including:

- Actions taken and progress achieved
- Any outstanding or partially completed actions, with reasons for delay beyond original timelines and the next steps

Documentation of interim and independent reviews

The written assessment should explicitly consider all plan years within the assessment period, not only the most recent year. Administrators may document some assessment activities or inputs on a regular basis throughout the assessment period to support timely identification of issues and minimize reliance on retrospective recollection.

The assessment process should include documenting any reviews or monitoring conducted in the normal course of the plan administrator's governance, oversight, and risk management processes. The administrator should periodically consider engaging independent reviews for added perspectives or objective advice on plan administration, governance (including risk management), funding, investments, or performance of trustees, administrative staff, or service providers.

Administrators should use such reviews to inform rather than replace the administrator's fiduciary judgment. The assessment should summarize and synthesize the conclusions and outcomes of any material regular, topical, and independent review or analysis conducted since the last assessment.

BCFSA recommends that the triennial assessment process itself be periodically reviewed for potential improvements.

APPENDIX A: BEST PRACTICES, COMMON WRITTEN ASSESSMENT PITFALLS, AND ADDITIONAL RESOURCES

Best practices

Best practice guidance from BCFSA or the Canadian Association of Pension Supervisory Authorities (CAPSA) can support the assessment process by providing principles or key questions for administrators to consider as they evaluate their plans. The assessment can also be used to document adherence to best-practice guidance and, where appropriate, to summarize or plan a gap analysis.

Adapting risk management to an evolving risk environment

Consistent with CAPSA's [Guideline No. 10 on Risk Management](#), administrators should regularly review their risk management policies, processes, and controls to ensure they remain effective as risks evolve. For example, emerging risks such as climate-related financial risks, geopolitical exposure, liquidity, use of leverage in investments, and cyber security.

Considering member experience, decision support, and outcomes

Also consistent with CAPSA best practice principles, administrators are encouraged to consider the following as part of their assessment:

- Administrators may inform their judgments using member feedback, demographic and behavioural data, and information on member engagement with the plan, its communications, and available decision-making tools.
- Administrators may also assess the quality, timeliness, and effectiveness of member communications and resources, including how well they support members in:
 - accessing and understanding key information at appropriate times
 - understanding projected retirement income and alignment with their broader financial goals
 - navigating emerging challenges (e.g. cost-of-living pressures) to make informed decisions affecting retirement outcomes
 - understanding and managing the key risks they bear, before and after retirement
 - building confidence in the plan's governance and risk management
 - engaging with and holding the plan accountable, where appropriate.
- Administrators may consider assessing whether the interaction of plan design,¹ member education and decision-support tools, and observed member decisions or behaviours translates into meaningful retirement outcomes for plan members.

Efficiency and value for money

Given their impact on member retirement outcomes and plan efficiency, administrators may consider whether fees and expenses paid from plan assets are reasonable and provide appropriate value for members, having regard to the quality of services and tools provided, expected risk-adjusted returns, and the plan's size and complexity.

¹ Examples include contribution structure or levels, including whether and how much members may contribute, opportunities to buy-back service, or use of automatic or default plan features.

Common pitfalls

Some common pitfalls observed in reviewed written assessments include:

- Missing one or more of the required elements.
- Being largely descriptive or focused on legal compliance, with little substantive judgement, analysis, or assessment of effectiveness.
- Lacking explanation of how or why conclusions were reached and how results inform future approaches or oversight.
- Reproducing service provider or advisor reports/reviews without evidence of administrator synthesis or judgement.
- Minimally addressing or omitting opportunities for improvement or plan risk management.
- Lacking action timelines, assigned responsibility, or follow-up tracking.
- Omitting service provider performance reviews or such reviews lacking substance (i.e. stating general satisfaction with no supporting analysis).
- Lacking substantive assessment of trustees' performance or skills and knowledge, or resulting training action plans.
- Citing best practice principles but lacking commentary on plan's adoption or direct link to conclusions or next steps.
- Conducting the assessment late (i.e. more than four years since the end of the last triennial assessment period).

Additional resources

Additional resources that may support preparation of the plan assessment include:

- [BCFSA's Information Security Guideline for Pension Plans](#)
- [BCFSA's Multi-Employer Pension Plans – Best Practices Guideline](#)
- [BCFSA's Pension Plan Administrator's Roles and Responsibilities Guide](#)
- [BCFSA's Presentation on Pension Plan Governance and Assessment](#)
- [BCFSA's Bulletin: Clarification of triennial \(3-year\) plan assessment timeline](#)
- [CAPSA's Guideline No. 4 on Pension Plan Governance](#)
- [CAPSA's Pension Plan Governance Self-Assessment Questionnaire](#)
- [CAPSA's Guideline No. 10 on Pension Plan Risk Management](#)
- [CAPSA's Guideline No. 3 on Capital Accumulation Plans](#)