Discussion paper

Pensions Fee Review

BCFSA

SEPTEMBER 2026

Contents

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EFFECTIVE DATE	September 16, 2026

1 Introduction

BC Financial Services Authority (BCFSA) regulates pension plans registered in British Columbia under the Pension Benefits Standards Act (PBSA). The PBSA and Pension Benefit Standards Regulation (the Regulation) apply to all BC employment pension plans. The PBSA is designed to protect the interest of BC pension plan members by setting minimum standards for BC pension plans. The minimum standards apply to such areas as eligibility, vesting, portability, survivor benefits, employer contributions, disclosure to members and other areas. The PBSA is also designed to protect the financial health of pension plans through rules for the investment of plan assets, and through funding and solvency standards.

The PBSA and the Regulation include provisions that require regulated entities to pay prescribed fees related to:

- the filing of an application for the registration of a pension plan
- the filing of an annual information return.

Fees paid by pension plans support BCFSA's administration and enforcement of the legislation, including registration, supervision, compliance, guidance, and member protection activities.

BCFSA is proposing changes to pension fee amounts and thresholds following a comprehensive fee review. The proposed changes would retain the current member-based fee methodology while updating the active member fee, inactive member fee, minimum fee, and maximum fee.

This discussion paper outlines the proposed changes, the rationale for those changes, and the feedback BCFSA is seeking before final recommendations are brought forward to government for approval. Feedback will help BCFSA assess the proposed fee changes, implementation considerations, potential impacts for pension plans, and the supporting rationale.

2 Why BCFSA is reviewing pension fees

Since the current pension fees were introduced on January 15, 2020, BCFSA's pensions fee revenue has remained relatively flat, while the costs and operational requirements associated with administering and enforcing the PBSA have continued to evolve. Although BCFSA has implemented cost reductions and operational efficiencies, the pensions program continues to operate below a sustainable level of cost recovery.

Consistent with the approach described in BCFSA's proposed fee review framework, BCFSA is conducting this review as a comprehensive fee review because the issues identified extend beyond those that would typically be addressed through an annual cost-based fee review. Annual cost-based reviews are intended to assess whether fees remain aligned with current regulatory costs and whether an incremental fee adjustment within the existing fee model is justified. This review considers broader issues, including the pensions program's cost-recovery gap, benchmark information from other Canadian pension regulators, and whether changes to fee amounts and thresholds are warranted.

The review also considered future technology requirements. BCFSA's current pension technology platform was implemented in 2008 to support core regulatory functions and administration of the PBSA, including the e-filing capability used by pension plans to submit statutory filings. Replacing this platform is necessary to maintain the capabilities required to administer and enforce the legislation, protect sensitive pension plan information, and support secure, reliable, and effective regulation over time.

3 Proposed changes to pensions fee amounts and thresholds

The proposed changes would maintain the current member-based fee methodology while improving cost recovery and supporting a more reasonable allocation of regulatory costs across pension plans. BCFSA is proposing:

- increasing the active member fee from $8.35 to $10
- increasing the inactive member fee from $7.30 to $8.80
- increasing the minimum fee from $250 to $500
- increasing the maximum fee from $85,000 to $170,000

Increasing the minimum fee ensures small pension plans continue to make a foundational contribution towards the cost of common regulatory activities and the baseline compliance and administrative work required for all pension plans. The proposed minimum fee was informed by benchmark information from other Canadian pensions regulators and remains generally consistent with fees in comparable jurisdictions.

The proposed increase to the maximum fee recognizes that the current cap limits how much revenue can grow as large plans increase in size. Without updating the cap, increases to member-based fees would fall primarily on small and mid-sized plans, weakening the intended relationship between plan membership and each pension plan's contribution to regulatory costs. Updating the maximum fee helps preserve the member-based allocation approach as larger pension plans have grown and fee thresholds have remained unchanged since 2020.

The proposed fee levels and thresholds were developed through a comprehensive review process and informed by cost recovery objectives, benchmark information from other Canadian pensions regulators, and the baseline costs of maintaining an effective pensions program.

4 Alignment with BCFSA's proposed fee review framework

The pensions fee review is being conducted in a manner consistent with BCFSA's proposed fee review framework. The proposed framework establishes two complementary review mechanisms: annual cost-based fee reviews and comprehensive fee reviews. Annual cost-based reviews assess whether fees remain aligned with current regulatory costs, while comprehensive reviews assess whether an industry's fee model remains effective and fit for purpose.

The proposed changes to the pensions fee amounts and thresholds are the result of a comprehensive fee review. This type of review provides a more detailed assessment of significant fee-related issues that cannot reasonably be addressed through annual cost-based reviews. Consistent with the proposed framework, the pensions review considered cost recovery, future technology requirements, benchmark information, and whether changes to fee amounts and thresholds are warranted.

Because this comprehensive review incorporates forward-looking cost considerations, the pensions industry would not be subject to annual cost-based fee reviews for the period 2026–2029. During this period, BCFSA would continue to monitor material changes in regulatory responsibilities, costs, revenues, pension plan industry conditions, and other relevant factors to determine whether adjustments to the review schedule may be warranted.

After this period, the pensions industry would transition into the annual cost-based fee review process. Annual cost-based fee reviews are intended to assess whether fees remain aligned with the current cost of administering and enforcing the PBSA, and whether an incremental adjustment to existing fees is warranted.

5 Implementation

If approved, the new fees would come into effect for plan years ending December 31, 2026 or later.

6 Discussion questions

BCFSA is seeking feedback on whether the proposed changes appropriately balance cost recovery, fairness, transparency, predictability, administrative simplicity, and alignment with the regulatory activities and supervisory attention associated with overseeing pension plans.

1. Cost recovery and fee allocation

- What are your views on the proposed changes to per-member fees and the minimum and maximum fees?
- To what extent do the proposed changes support appropriate cost recovery?
- To what extent do the proposed changes support a reasonable allocation of regulatory costs across pension plans?

2. Plan characteristics and impacts

- How would the proposed changes affect plans with different characteristics?

3. Implementation considerations

- What implementation considerations, operational impacts, or unintended consequences should BCFSA consider before finalizing recommendations?

4. Additional feedback

- What additional information would help pension plans and other interested parties better understand the proposed changes to pensions fees?
- Are there any other comments or considerations BCFSA should take into account before finalizing recommendations regarding the proposed changes to pensions fees?

7 Engagement approach and next steps

BCFSA is seeking feedback from pension plan administrators, plan sponsors, industry associations, professional advisors, and other interested parties on the proposed changes to pension fee amounts and thresholds. Feedback will inform final recommendations to government, including implementation considerations and potential impacts for pension plans.

Participants and feedback

BCFSA welcomes feedback from:

- registered pension plans and administrators
- pension plan sponsors and governing bodies
- professional advisors and service providers
- pensions industry associations
- employees, members, and representative organizations
- Indigenous interest holders
- other interested parties

Feedback may be submitted through our online feedback form or by email to engage@bcfsa.ca.

Confidentiality and publication

Participation in the engagement is voluntary. BCFSA will publish a summary of the feedback received and will not attribute comments to individual respondents. Please note that individual, non-anonymized submissions may be shared with the Ministry of Finance.

Any fee changes resulting from this process would be subject to further industry engagement, BCFSA recommendations, and government approval before implementation.

BCFSA collects, uses, and discloses personal information in accordance with the Freedom of Information and Protection of Privacy Act (British Columbia) and its Privacy Policy.

Any personal information that you choose to provide will be collected under section 26(c) of the Freedom of Information and Protection of Privacy Act (British Columbia) for the purpose of informing BCFSA’s pensions fee review. If you have any questions about BCFSA’s collection of personal information, please contact BCFSA’s Privacy Officer at foi@bcfsa.ca.

Engagement deadline

The engagement period will remain open until October 16, 2026. Feedback received after this date may not be considered.

Additional engagement

In addition to written submissions, BCFSA may undertake targeted engagement activities during the engagement period, including meetings with pension plan administrators, industry associations, and other interested parties.

Feedback received through these discussions will be considered together with written submissions.

Next steps

Following completion of engagement, BCFSA will review feedback, assess impacts and implementation considerations, and finalize its proposed pensions fee changes.

BCFSA will then submit the proposed pensions fee changes for government approval.

Any approved fee changes would take effect following completion of the applicable approval and implementation steps.

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