



The Certified Employee
Benefit Specialist® Program

RPA1 Managing Retirement Plans Part 1

Study Materials Update—February 2026

This material is required reading for purposes of the CEBS program and the national exams for the RPA 1 course administered on or after April 15, 2026.

This update corrects earlier printings of the RPA 1 Study Guide, Second Edition in light of recent legislative changes. This update covers a partial replacement of Modules 1 and 4 of the Study Guide (First Printing: December 2021, Second Printing: April 2022, Third Printing: May 2023, Fourth Printing: April 2025 and Fifth Printing: October 2025).

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How to Use This Update

For the printed version of the Study Guide:

Keep this update with your study materials. It should be read in conjunction with the assigned reading for RPA 1.

For the digital Study Guide:

These updates will be reflected in the digital versions of the Study Guide.

Instructions

There are two types of updates:

1. Minor—Where changes are made to a small section of the text, changes are indicated in **bold**.
2. Major—Entire sections are provided as a replacement.

Study Guide Module 1

Pages 1 to 2, Assigned Reading: Remove the current pages 1 to 2 from your Study Guide and replace them with the new pages that follow. The Assigned Reading has been updated.

Pages 11 to 12, Learning Outcome 3.4: Remove the current pages 11 to 12 from your Study Guide and replace them with the new pages that follow. The Learning Outcome and page references have been updated.

Designing Registered Pension Plans

The focus of this course is on designing, administering, communicating and managing employer-sponsored retirement and savings plans. Investment management of plan assets is introduced; however, this topic is explored in more depth in RPA 2.

Module 1 describes plan design considerations that plan sponsors face in the establishment and ongoing operation of registered pension plans (RPPs). Plan design drives virtually all aspects of the activities undertaken by the plan sponsor in respect of their pension plan. Costs, investment and governance and plan member relations, as well as interaction with plan advisors and professionals, are all dependent upon the specific plan design features.

To design a pension arrangement that best meets a plan sponsor's needs and the needs of its specific workforce, it is necessary to consider the various types of RPPs and the regulatory environment surrounding them. This module outlines the main types of single-employer RPPs—defined benefit (DB) plans, defined contribution (DC) plans and plans with a combination of DB and DC plan characteristics. The various types are covered in more detail in subsequent modules.

Regulatory requirements faced by a plan sponsor are dependent on the specific type of RPP that is in operation. The regulatory environment includes both the requirements of the Income Tax Act (ITA) and of pension standards legislation enacted by federal, provincial and territorial jurisdictions. ITA imposes restrictions on contributions and benefits. Pension standards legislation outlines minimum standards relating to plan member rights under an RPP. This module covers the relationship between the various plan design factors and the requirements of the governing regulations.

Note that the terms “employer” and “plan sponsor” are frequently used interchangeably in this course. An employer/plan sponsor establishes a retirement plan and typically offers the plan to all or certain groups of its employees. Membership in a pension plan is normally closely associated with the employment relationship with the result that “employee” and “plan member” are also frequently used interchangeably.

Assigned Reading



Text and Text Errata

Chapter 1, Pages 9 (from Legislative Environment) to 27

Text

Chapter 3

Reading A

Text Commentary, Study Guide Module 1, Pages 29-34



Professional Enrichment Resources

Summary of Pension Legislation

Manulife:

<https://www.manulife.ca/business/news/legislative-updates/pension-legislation.html>

Why Read This?

This industry resource provides online access to an overview of minimum standards that apply to registered pension plans under each jurisdiction. It also allows for a comparison of individual requirements across jurisdictions. Updated annually, it provides you with experience using a standard industry reference document.

Ontario Municipal Employees Retirement System (OMERS)

<http://www.omers.com>

Ontario Teachers' Pension Plan (OTPP)

<https://www.otpp.com>

Why Scan These Sites?

OMERS has a large defined benefit (DB) pension plan. It represents plan sponsors and members, retirees and survivors as well as municipal workers, Children's Aid Society workers, firefighters, paramedics, police, nonteaching school board staff, transit workers and electrical utility workers. OTPP also has a large DB pension plan. OTPP members include teachers in elementary and secondary schools in Ontario, pensioners and inactive members.

Accessing these sites will familiarize you with the types of plan-related information that a plan sponsor can provide to its members.

3.4 Describe the types of RPPs that have both DB and DC characteristics.

(Text, pp. 18-21; Reading A, Text Commentary, Study Guide Module 1, p. 30; Text Errata, Chapter 1)

Four types of RPPs have characteristics of both DB and DC pension plans:

- (1) Hybrid pension plan: Pension of one type (e.g., DC) is subject to a minimum equal to the pension of the other type (e.g., DB). The most common type of hybrid plan provides the greater of a DB pension and the pension that may be purchased with the member's defined contribution account balance. For example, the defined benefit may be calculated as 1.5% of final average earnings for each year of service. The employee may be required to contribute 5% of earnings to a defined contribution account in the plan, and these contributions may be matched by the plan sponsor. At retirement, the member's account balance is converted to a pension. If the DC pension amount is less than the DB pension amount, then the DB pension amount is paid. If the DC pension amount is greater than the DB pension amount, then the DC pension amount is paid. This type of plan alleviates some employee uncertainty associated with a DC plan because it guarantees a minimum level of retirement income. However, like a DB plan, an actuarial valuation is required to determine the adequacy of the fund to support the defined benefit guarantee.
- (2) Combination pension plan: Total pension is the sum of pension determined by a defined benefit provision and the pension provided through the defined contribution provision. Typically, the plan sponsor will provide a defined benefit of, for example, 1% of final average earnings. An employee contributes to the plan, and their contributions are deposited in a defined contribution account that will accumulate until retirement. There may also be some plan sponsor matching of the employee's contribution. At retirement, the plan member receives the DB pension in addition to the pension that can be purchased with their defined contribution account balance.

Combination plans are sometimes created when an employer wishes to cease operating a defined benefit pension plan and instead sponsor a defined contribution plan for future years. DB benefits are "frozen" (i.e., members stop earning defined benefits) and no new members may join that section. Existing and new plan members participate in the defined contribution section effective from the date of the change. Membership in the defined benefit section of the plan is then limited and will reduce over time.

- (3) Multi-employer pension plan (MEPP): Usually established through collective bargaining and covers employees of many employers within a single industry or trade. Plan specifies both the level of contribution and the level of benefits. Generally, if contributions do not support the benefits, benefits may be decreased.
- (4) Target benefit pension plan: Similar to a MEPP in terms of plan specifics but sponsored by a single employer. Both the contribution level and the level of benefits are specified, and the benefits may be reduced if they cannot be supported by the current level of contributions. Target benefit plans are designed to deliver a targeted benefit while giving administrators the flexibility to adjust benefits in response to the plan's funded position.

Study Guide Module 4

Pages 1 to 2, Assigned Reading: Remove the current pages 1 to 2 from your Study Guide and replace them with the new pages that follow. The module introduction and Assigned Reading have been updated.

Pages 5 to 6, Learning Outcome 1.2: Remove the current pages 5 to 6 from your Study Guide and replace them with the new pages that follow. The Learning Outcome and page references have been updated.

Pages 23 to 24, Text Commentary, Registration Requirements and Applicable Laws, Text, Pages 260-262: Remove the current pages 23 to 24 from your Study Guide and replace them with the new pages that follow. The second paragraph in this section has been updated.

Complying With Pension Standards Legislation

Employers are not required to establish or maintain a pension plan for their employees. However, if a plan is established and covers employees in a jurisdiction that has enacted pension standards legislation, registration of the plan under both the Income Tax Act (ITA) and pension standards legislation is essential if the pension plan is to operate legally and provide preferential tax treatment to the employer and plan members. Security of pension benefits by controlling minimum plan terms and operations is the primary focus of pension standards legislation. It impacts benefit provisions such as eligibility for membership, vesting, portability of pensions and death benefits as well as financial and investment operations.

All provinces except Prince Edward Island, and the federal government (which also covers the territories), have pension standards legislation in force. Prince Edward Island has introduced pension standards legislation that has not yet been put into force. Legislation has different names in various jurisdictions, but in this course, it will be referred to as “pension standards legislation.”

While pension standards legislation in different jurisdictions shares many common features, minimum benefits standards are not uniform across the country.

Assigned Reading



Text and Text Errata

Chapter 9, Pages 257 to 290
(up to Insufficient Assets—Defined Benefit Plans)

Reading A

Text Commentary, Study Guide Module 4, Pages 23-28



Professional Enrichment Resources

Summary of Pension Legislation

Manulife,

<https://www.manulife.ca/business/news/legislative-updates/pension-legislation.html>

Why Read This?

This online industry resource summarizes minimum requirements relating to plan member rights for pension plan provisions under pension legislation. Updated annually, it provides you with experience using a standard industry reference document. You can select any/all jurisdictions to review minimum requirements, prescribed time limits for transfers upon termination of membership and main administration requirements.



Key Terms

- Pension standards legislation
- Agreement Respecting Multi-Jurisdictional Pension Plans (MJPP)
- Eligibility and membership
- Vesting
- Locking-in and exceptions
- Locked-in vehicles
- Normal retirement date/age
- Pre- and postretirement death benefits
- Gender discrimination
- Financial hardship unlocking
- Portability
- Variable benefits
- Phased retirement
- Form of pension
- Cost sharing
- 50% rule
- Excess contributions
- Inflation protection
- Financial protections
- Minimum interest rate
- Pension credit splitting
- Marriagelike relationships
- Prefunded requirement
- Actuarial valuation
- Ongoing and solvency bases
- Current service cost and special payments
- Funding deficiency
- Contribution holiday
- Buy-in and buy-out annuities

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Learning Outcome

Describe at a high level the activities of pension plan regulators in Canada.

1.1 Compare the focus of pension standards legislation with that of income tax regulations. (Text, pp. 257, 259-260)

The terms and operations of a registered pension plan are governed primarily by pension standards legislation. Under pension standards legislation, the operation of a pension plan is guided by a comprehensive set of rules. Pension regulators have the duty and remedial authority to enforce compliance with these rules.

Pension plans are regulated from two perspectives—the control of the terms and operations of the plan and maximum limits on the tax deferral available. Improving benefit security by the terms and operations is the primary focus of pension standards legislation. The federal government controls the tax shelter provided for pension plans through the Income Tax Act (ITA).

1.2 Explain the function of the Agreement Respecting Multi-Jurisdictional Pension Plans (MJPP Agreement). (Text, pp. 260-262; Text Errata, Chapter 9)

The Text also describes the evolution of the CAPSA Agreement Respecting Multi-Jurisdictional Pension Plans (MJPP Agreement) from the time of the 1968 Memorandum of Reciprocal Agreement. Note that as of July 1, 2023, the MJPP Agreement has been adopted by all Canadian jurisdictions, including the federal government. **The evolution of the agreement, covered on page 261 of the Text, paragraphs two through five, is NOT testable material for the purpose of the CEBS examination.**

The rules for determining where a plan is registered are set out in the MJPP Agreement. Additional functions of the MJPP Agreement include the following.

- (a) It identifies provisions that are subject to the jurisdiction where the plan is registered (the “major authority”), such as plan registration, administrators’ duties, plan records, funding, investments and provision of information to members. Member rights (except for annual statement requirements) are mostly reserved to the province of employment.
- (b) It provides a mechanism for transferring jurisdiction from one province to another.
- (c) Finally, it provides rules for the enforcement of rules by the “major authority” and transition provisions as well as for asset allocation between jurisdictions on

Reading

Text Commentary



The Text Commentary expands upon or provides current and relevant applications to the Text reading. It should be read in conjunction with the Text.

The Development of Pension Standards Legislation, Text, Page 259

Add immediately following the table:

“Ontario has made significant changes to their pension legislation, effective, for the most part, from July 1, 2012.”

Registration Requirements and Applicable Laws, Text, Pages 260-262

The Text notes that the PBSA applies to employees in any province who are employed in any work, undertaking or business that falls under the legislative authority of the federal government. Work falling under federal jurisdiction is often referred to as “included employment,” while work that falls outside PBSA jurisdiction is referred to as “excluded employment.”

The Text also describes the evolution of the CAPSA Agreement Respecting Multi-Jurisdictional Pension Plans (MJPP Agreement), from the time of the 1968 Memorandum of Reciprocal Agreement. Note that as of July 1, 2023, the MJPP Agreement has been adopted by all Canadian jurisdictions, including the federal government. **The evolution of the agreement, covered on page 261 of the text, paragraphs two through five, is NOT testable material for the purpose of the CEBS examination.**

The primary focus of the original Memorandum of Reciprocal Agreement was the identification of the jurisdiction where a pension plan would be registered and supervised. The MJPP specifically identifies which jurisdiction’s legislation applies to many other aspects of pension plan operations, as described in the Text.

Minimum Standards, Text, Pages 264-284

The Text does not always differentiate between the impact of minimum standards upon defined benefit (DB) and defined contribution (DC) plans, which may be quite different. In most cases, the Text refers to how the minimum standards relate to DB plans.

Following is some explanation about the impact of minimum standards upon DC pension plans.

Vesting and Locking-In, Text, Pages 265-267

The Text's description of how benefits may be unlocked refers in many situations to the proportion of the "pension earned," or "annual pension at the normal retirement date," or "commuted value" or "commutation of pension benefits." All these terms apply to a DB pension plan. References to "pre-reform pensions" or "commuted value," when considering a DC pension plan, should be replaced by "DC account value."

For example, for a DC pension plan, the second paragraph on page 266 would read:

~~"Pre-reform pensions~~ **DC account balances** may be unlocked as follows:

- 100% of pension earned before January 1, 1967. . ."

The reference to unlocking an "annual pension of less than 4% of the YMPE at the normal retirement date" is not applicable to DC pension plans. Similarly, references to offer "commutation of pension benefits" is applicable to DB pension plans only; in a DC plan, the appropriate term is "DC account value."

For example, for a DC pension plan, the third paragraph on page 266 would read:

"All provinces provide a small benefit unlocking rule for pension plans. Generally, a pension plan may provide for unlocking if the ~~annual pension~~ **DC account balance** at normal retirement date is less than 4% of the YMPE (not applicable in Alberta, British Columbia, Quebec and the federal jurisdiction) or the ~~commuted value~~ **DC account balance** is less than 20% of the YMPE . . ."

In the case of a shortened life expectancy, a member in a DC pension plan can apply for the entire DC account value.