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Expert panel: Updated CAPSA guideline, AI tools among key topics for CAP sponsors in 2026

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With the new year may come new resolutions — or at least topics to keep in mind — for capital accumulation plan sponsors.

Ongoing compliance with the CAPSA's updated CAP guideline

While the Jan. 1 deadline for CAP sponsors to bring their systems and processes into compliance with the Canadian Association of Pension Supervisory Authorities' updated guideline No. 3 has come and gone, compliance with the CAP guideline will continue in 2026 and beyond.

Good governance is a prominent theme throughout the updated CAPSA guideline. Governance is the vehicle to maintain oversight of the CAP and support processes to review service providers, investment options, member communication, member education and decision-making tools. If CAP sponsors haven't conducted an audit to confirm compliance with the CAP guideline, there's no better time than now to review the guidelines and implement a written governance structure that's proportionate to their particular CAP based on size and complexity.

Read: 2025 CAP Suppliers Report: How are Canadian plan sponsors complying with the CAPSA's updated guideline?

For CAP sponsors that have confirmed their current governance framework complies with the guideline or have made enhancements to their existing framework and/or processes for compliance, they should review their existing or enhanced governance framework in 2026 to determine whether the framework supports the oversight of the CAP in the manner set out in the guideline. The updated guideline is prescriptive in the oversight of the CAP, including various factors to consider when reviewing the CAP's features, the performance of service providers and investment options and the effectiveness of member communication, member education and decision-making tools.

A CAP sponsor's procurement process should also consider specific factors set out in the guideline when selecting service providers, which may mean these processes need to be adjusted.

The CAPSA's guideline is clear that governance framework should be reviewed periodically and, to the extent there needs to be additional attention to an aspect of the framework, the guideline expects the plan sponsor to address any areas for

refinement.

In maintaining oversight of the CAP in the manner prescribed by the guideline, 2026 may add other action items for plan sponsors. The focus on good governance isn't for its own sake, but a means to achieve intended member outcomes.

Read: [How CAPSA's updated CAP guideline will impact plan sponsors, members](#)

The guideline emphasizes member education requiring a CAP sponsor “to adopt a member education strategy that is geared towards the purpose and intended outcome of the CAP and designed to improve member decisions and outcomes.” This means if a review of the CAP indicates member communication or member education may not be having the desired effect on member behaviour, plan sponsors would be expected to act on that data by providing targeted campaigns, promoting upcoming educational opportunities, offering new member tools or offering access to financial or investment advice, with the goal of improving member decisions and outcomes.

Decumulation

Decumulation solutions are likely going to be an ongoing topic of discussion in 2026.

Earlier this year, the Quebec government adopted regulations allowing defined contribution pension plans and voluntary retirement savings plans to offer variable payment life annuities. The Ontario government could follow shortly with its own framework: in its 2025 fall economic statement, the government said it's developing a legislative framework that would permit VPLAs to be offered by pooled registered pension plans, DC pension plans and pension plans that provide for voluntary contributions.

Read: [Ontario taking steps to end preferred pharmacy networks, introducing VPLA framework](#)

For CAPs that aren't DC pension plans, decumulation solutions remain a work in progress. Service providers have been creating products to address decumulation challenges for retired members. While these products can assist retired members with transforming their retirement savings into an income stream and may provide solutions entirely managed by service providers, CAP sponsors still have obligations with respect to these third-party decumulation solutions.

At minimum, under the CAPSA's guideline, CAP sponsors are required to supervise their service providers. Supervision may include overseeing communication from service providers to members about the third-party decumulation solutions, providing clarity that these solutions aren't monitored by the plan sponsor and encouraging members to conduct their own due diligence and explore decumulation tools from other providers, and ensuring the service provider is clear to members if it will monetarily benefit from the member selecting that decumulation solution.

The use of AI

By now, many CAP sponsors are aware of the role that artificial intelligence can play in plan administration and investments, including a more personalized member experience, investment analysis and handling member inquiries.

Read: Quebec adopts VPLA legislation

The CAPSA's guideline requires CAP sponsors to monitor their vendors. With the prevalence of AI in CAP administration, a prudent plan sponsor should be asking their service providers if, how and where they use AI in providing services for which they have been engaged — for example, to what extent is AI being used to make recommendations to employees on how to invest their assets.

Going back to the CAPSA's guideline, a plan sponsor that intends on entering into an arrangement with or referring its members to a service provider for investment and planning advice needs to do their due diligence to confirm the provider is appropriately qualified to offer such advice.

There's a risk of inaccurate outputs from AI tools. If AI is being used by the vendor to make recommendations, the plan sponsor should ask the vendor about their process to monitor and ensure AI outputs are accurate and appropriate.

Additionally, CAP sponsors will need to consider the privacy law implications arising from a vendor's use of third-party AI tools, particularly given the tool's handling of sensitive personal information. Plan sponsors should review privacy provisions in their service agreements with vendors to determine whether there are appropriate provisions on the use and protection of personal information by subcontractors or other third parties.

Read: AI supporting, but not replacing, pension, benefits teams: experts

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