

## Pension Administration System

The system is a Pension Membership data storage, maintenance and reporting application, which will automate the management of Defined Benefit and Defined Contribution Group and Individual pension plans. It has been designed to handle multiple employer groups, as well as different classes of employees within each of these groups. All pension plan activity can be tracked and benefits, such as Contribution Refunds and Normal Retirement Pensions can be easily produced.

Any type of Money Purchase scheme, such as a Mutual Fund, can be administered using this application. For such schemes, the application provides the facility to produce *illustrations* (projections) for potential and existing clients.

The system has been designed to satisfy the needs of Pension Plan Administrators and replaces the mostly inefficient and ineffective manual and spreadsheet type operations. More specifically, the system provides the following:

1. Database for member personal information:
  - Name, ID number, Date of Birth, Date of Employment, Date of Enrolment, Date of Termination, Name of Beneficiary(ies), Photograph, Signature.
2. Database for member financial information:
  - Salaries, Contributions, Benefits.
3. Database for Pension Plan parameters:
  - Interest crediting rates, Employer and Employee contribution rates, Benefit Formulae.
4. Computation of contributions, for any time period.
5. Tracking of the dates contributions are actually remitted to the trustees vs. date due.
6. Computation of interest earned on amounts invested, based on actual dates invested.
7. Computation of Interest compounding daily (or less frequently), and based on rates determined as frequently as necessary.
8. Facilitation of interim interest update for partial year events - e.g. terminations, deaths, retirements, etc.
9. Production of annual statements of account balances (with and without interest), and other relevant information, at year end.
10. Facility to track salaries and/or regular contributions and/or additional voluntary contributions.
11. The ability to import data such as salary and contributions data.
12. Production of standard reports for reconciliation and valuation purposes, in hard-copy and electronic format.
13. Query facility to extract and download information electronically to a spreadsheet and/or word processor for generating ad-hoc reports.
14. Simple data entry and minimal training requirements.

## **Security**

Any ODBC compliant query and reporting tool may be used to create ad-hoc queries and reports. Only the database administrator has the ability to write directly to the database, all other users must use the application. Security within the application is implemented at the group level – Supervisory, Data-Entry, and Read-Only. With the exception of lookup tables, all changes and deletions are logged in an Audit Log which is printed and maintained by the Supervisor. All transactions are time-stamped and include the ID of the user making the transaction.

## **Implementation**

The application will be installed on the client workstations and the database on the fileserver. Installation diskettes, and User and System documentation will be provided. The System documentation will detail the database schema. Installation takes approximately ½ hour per workstation and 10 minutes to install the databases.

The speed of implementation depends on how quickly the data conversion is completed. The company will monitor this exercise and is prepared to play a more active role if necessary.

On-site training for up to 10 persons will be provided, in four 2-hour sessions. This will cover the use and administration of the software and maintenance of the database.

The company will sign off the application after the 2<sup>nd</sup> successful parallel run or reconciliation.

## **Support and Maintenance**

Support and maintenance will be provided for one year. This shall cover support for technical problems relating to the software system. Free hotline telephone support will be available 9:00am to 5:00pm Monday to Friday. After one year, billing will be for support and maintenance on a per incident basis.

## **Technical**

The system runs in a standard Windows 95/98/NT local-area network environment.

Client workstations should have a minimum of Windows95, Pentium-200, 32MB RAM, 30MB available disk-space and SuperVGA monitor. High volume laser printers are recommended for printing reports and statements.

The fileserver can run either Windows95/98/NT. A minimum of 80MB available disk space is required. Maximum disk space is dependent upon the number of pension plans and the amount of history that is kept. The application requires an average of 10MB per year per 1,000 employees. There is virtually no limit to the number of pension plans or employees but practical operating considerations and current hardware would suggest a limit of 20,000 to 30,000.

The system is year 2000 compliant and was developed using Microsoft Access2000 for the application front-end and back-end database. The recommended maximum number of concurrent users accessing the database is 20.

Microsoft Access provides for ODBC connectivity and the user may use any 32-bit ODBC-compliant reporting tool to query the database and create ad-hoc reports. Reports internal to the software system cannot be modified by the user.

## **Modifications**

The source code is not available for purchase. In the event of the winding-up of the company and if no other company is appointed to continue to provide support for the software, the source code shall be made available free of charge. The company shall reserve the right to sell or transfer ownership at any time.

Modifications and enhancements may be billable depending on the scope and must be requested in writing.

Reports internal to the software system cannot be modified by the user. The user is however encouraged to use standard ODBC compliant report writers and applications to do queries and generate ad-hoc reports and letters.

## **Fees**

A one-time fee for site-licensing, installation, implementation and training is charged. (Data conversion is charged separately). The licensing provides for up to 20 concurrent users and one fileserver at a single site.